

2019 TEDDY
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Q&A WITH
TORONTO SUN
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DEBATE: SHOULD
CANADA RETURN TO
THE GOLD STANDARD? P.34

the taxpayer

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FROM THE PRESIDENT



Media bye



Scott Hennig
shennig@taxpayer.com

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On my fourth day as Alberta director for the Canadian Taxpayers Federation back in August 2005, I found myself in the basement of the Alberta legislature, nervously walking into the media room for the government's first-quarter budget update.

I had never been in the media room, let alone as an interloper trying to steal some attention from the finance minister and opposition leaders. Yet there I was, armed with a stack of freshly printed business cards and a detailed memo from my predecessor, walking me through what I was to do.

... get there early to hand out business cards ... sit at the back and read the report ... make some notes on what you want to say ... after the last opposition leader has spoken, stand up and say: "My name is Scott Hennig, I'm from the Canadian Taxpayers Federation and I will be making comment on the budget update in the hallway." ... and then march out and wait for the media to follow ...

That couldn't be right.

Surely this massive media horde of TV cameramen, grizzled political columnists and legislature reporters won't follow someone they've just met into the hallway. Yet, I did exactly what the memo said to do, and it worked exactly as promised.

With the legislature cafeteria as my backdrop, six TV cameras, three photographers and about 15 journalists all jockeyed for position to stick a microphone in my face to find out what the CTF had to say about the state of Alberta's finances.

I don't recall what I said, but I'll never forget what it felt like to be in my first media scrum.

That same scene repeated itself many other times throughout my time as Alberta director, just as it had for my predecessors and my colleagues across the country.

But, noticeably, over the years the media horde began to shrink. Even the

CBC started sending one camera to cover both French and English, instead of two cameras, two reporters and sometimes two sound and lighting people. Nowadays, you can shoot off a cannon in the provincial legislature press galleries without hitting a journalist.

In some cases, new media have replaced the old. But undoubtedly there are fewer journalists covering public policy and our politicians than there were 10 years ago.

Media consolidation and shrinking research budgets have often meant the important investigative stories have given way to a focus on creating as much content as quickly as possible.

Fewer journalists digging into government waste and lack of accountability have made it even harder to hold our politicians to account.

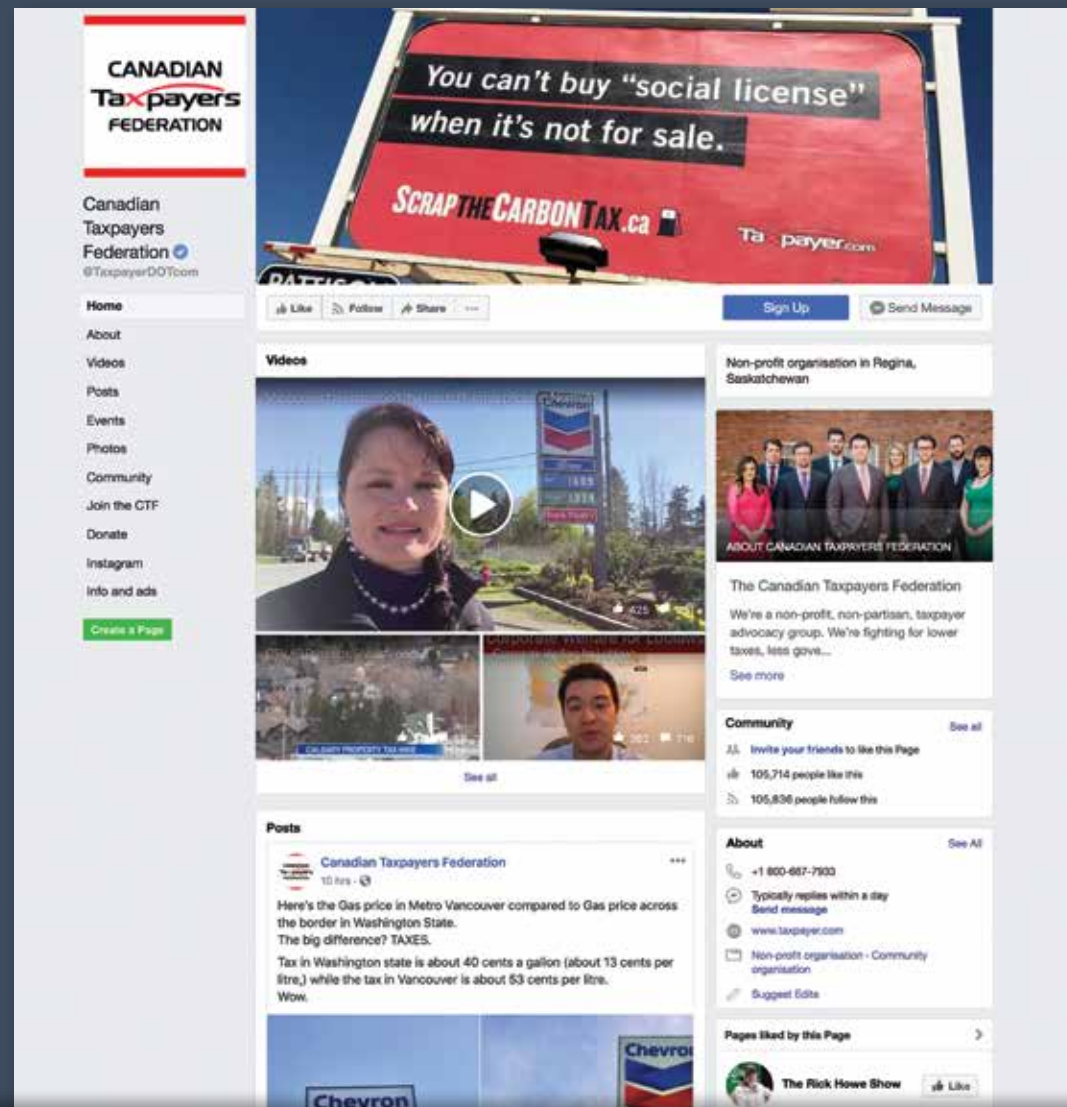
Making matters worse, the federal government is now offering a \$595-million bailout to media organizations. Incredibly, Unifor — an overtly partisan union — has been asked to help choose which media should get the bailout cash.

In response to this threat to an independent press in Canada, the CTF is doing two things. First, we've launched a campaign to oppose and cancel the bailout. Second, we're going to hire our own investigative journalist to dig up stories of government waste and lack of accountability. I look forward to sharing that work in future editions of The Taxpayer and on Taxpayer.com.

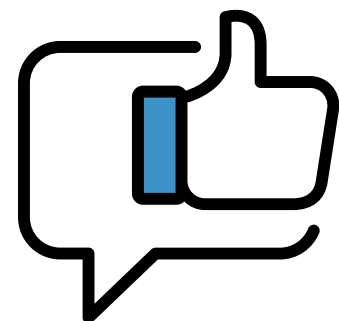
But don't take it from me that this bailout is an existential threat to an independent press in Canada; read what an experienced journalist has to say about it. Tom Korski of Blacklock's Reporter has penned a tremendous piece for The Taxpayer on pages 27-29. And no, for the record, Blacklock's isn't taking the media bailout.

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All the 'news' your taxes can buy

Journalist Tom Korski rips apart media and government arguments in favour of the \$595-million media bailout plan.



National Pharmacare: A Pricey Proposition



The 2019 Teddy Waste Awards

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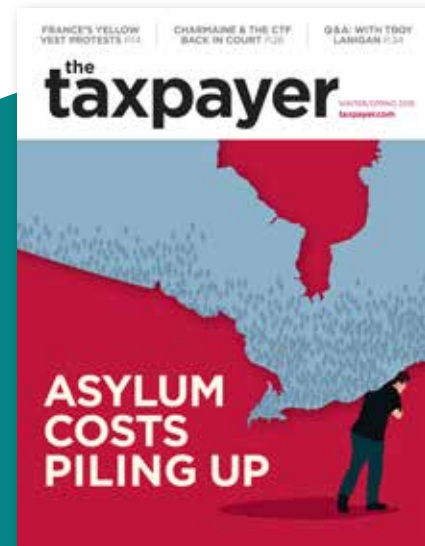
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The CTF's Kris Sims' recent attacks on the B.C. carbon tax prompted me to look at my latest Fortis natural gas invoice.

Cost of 12.0 GJ of gas was \$18.59, while the carbon tax was \$20.86. Kris is correct in stating the tax has taken billions of dollars out of our wallets since installed by Gordon Campbell and the Liberal government of 2007.

Now Justin Trudeau believes the simple people in B.C. and Canada will love more increased carbon tax. This is just a sales tax because Trudeau has a huge, growing deficit after buying oil pipelines, for one example. I agree B.C. has the highest carbon tax in the land. Washington state politicians proposed carbon taxes at their mid-term elections but the residents were smart and the referendum was defeated because they

were not to be tricked like the folks in B.C.

We now have Enbridge pipeline gas warnings as their old, damaged pipeline can't take the pressure. They further advised us to take it easy on gas consumption. I may be just a dumb huckleberry but now I have to turn back the thermostats and cut back the hot water. I should go back to the farm; at least I had a wood stove.

Where is all the carbon tax money going anyhow?

Ted Farkas
Penticton, B.C.

EDITOR'S NOTE:

Correction: in the Winter/Spring 2019 issue of the Taxpayer, the CTF supporter who asked the question for the You Asked For It article (pg. 24-25) Was Steve Kawulich of Westlock, Alta. We apologize for the error.

Carbon taxes are just that, taxes. They're no deterrent to fuel consumption in spite of what the politicians and climate activists keep insisting.

B.C. has seen increased motor vehicle registrations every year since the carbon tax was foisted on us in 2008. How can that possibly translate into lower fuel usage? No doubt the strangulation of the Alberta oil economy has cut down on the number of tourists who visit us, though; a mixed blessing to say the least.

Then we have the song and dance that gives a carbon tax exemption to supposedly dirty industries and big business while the great unwashed take it in the shorts. That's a pretty telling admission by government that carbon taxes do have a crippling effect on the economy.

The only real impact of carbon taxes has been to rip us off and give politicians more money to play with under the guise of saving the world. It's disappointing that people believe these fairy tales, but Santa Claus and the Easter Bunny do remain powerful influences in our lives.

Canadians are a pretty complacent bunch when it comes to trusting politicians on these things. French

President Emmanuel Macron, the self-described progressive "Sun King," tear-gassed his people for rioting in the streets over carbon tax hikes.

A litre of gas costs \$2.38 over there; it's half the price of a bottle of vin ordinaire. What would it take to motivate Canadians to hit the streets in protest? We may eventually find out.

Folks should check their Fortis gas bills; they show us paying a hefty amount of carbon tax versus what we pay for the gas. Let's not forget the politically motivated bribery which gives people carbon tax rebates bigger than the amount of carbon tax they pay. Who's fooling whom on this?

It's disappointing that so many voters seem to have the attention span of a chicken. We shouldn't be too critical of chickens, though. A barnyard chicken is smart enough to peck the seeds out of a cow patty, while a lot of people seem happy to swallow the whole thing.

John Thompson
Kaleden, B.C.

The latest issue to exercise my mind is the senseless campaign by well-meaning but misguided environmentalists hell-bent on slowing

down our resource-based economy. First there are the tree huggers who prefer to save some forests nested by spotted owls. Then we have those pipeline protesters holding up the necessary construction to protect fish habitats, thus depriving us of billions of income for our treasury with significant benefit to all taxpayers.

The real endangerment is to the hard-working fellow citizens who live from paycheque to paycheque in the mining, forestry and oil industries.

My answer to them is: fish swim and birds fly.

When projects are completed, fish will migrate back just like they returned to the Thames in London after the cleanup. And birds will also return instinctively from our mandatory replanting program even if having flown to neighbouring tracts of forestry. After all, it's not as if we are advocating turning those areas into the Sahara. If there was a contest for the longest debate on an issue, Canada would win hands down. By the time the issue is resolved, even in the affirmative, it would have evaporated into irrelevance as the ship would have sailed long before.

MauSeng Lee
West Vancouver, B.C.

For many years I have believed that the prime minister's office, in its present form, needs to be abolished or have its powers significantly reduced.

I am very aware that it will be difficult to achieve this goal since the leadership of the two major parties are unlikely to dismantle an institution that, they believe, serves their re-election goals. But the question is, does the PMO serve Canadians and backbench MPs?

It seems to me that the only way to reform or abolish the PMO is for a co-ordinated effort to be undertaken by those with political clout and public credibility to lead a movement to at least reform the PMO.

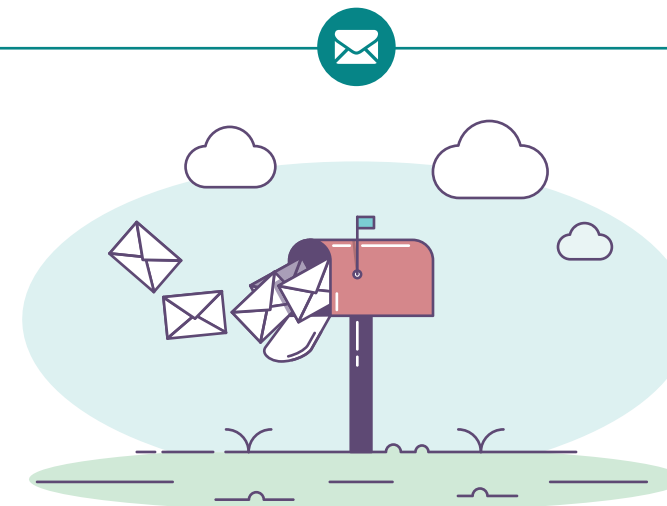
Canadians have seen three governments seriously harmed by scandals associated with PMO activities. The Chrétien government had the sponsorship scandal, Harper had the Senate expense scandal and now Trudeau has the

SNC-Lavalin scandal. The first two had a significant role to play in the defeat of the sitting government and the latest may well do the same for the Trudeau administration. An argument could be made that the PMO is more harmful to prime ministers than helpful.

One of the recommendations of the 2006 Gomery Commission on the sponsorship program was for Parliament "to keep a tighter check on the influence of the PMO."

I would urge politicians from all parties as well as support from non-government institutions dedicated to democracy to start a movement aimed at major reform of the PMO and restoration of the prominent role that MPs, the cabinet and senior public servants should have in government decision-making.

Gregor Caldwell
Wolfe Island, Ont.



LETTERS TO THE EDITOR

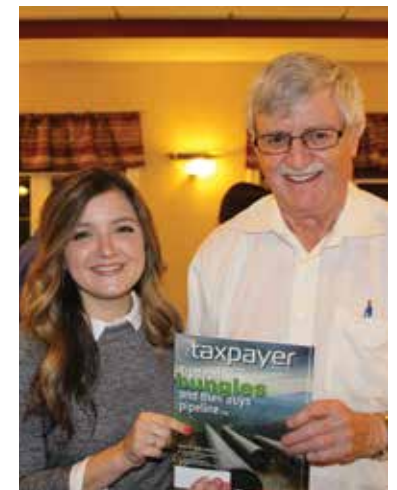
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FEATURED SUPPORTER



Dr. Harry Pollett and his wife Anne have been supporters of the CTF for as long as they can remember. They live on Cape Breton Island, N.S., where they had three children. Harry is well known for being a caring and conscientious doctor. He operated a pain management clinic in the community since 1996 until recently retiring.

Dr. Pollett is passionate about taxpayers having more say over wasteful government expenditures and ensuring governments create a good environment in which businesses can operate successfully, without taxpayer handouts. Late last year, Dr. Pollett (right) brought CTF Atlantic Director Paige MacPherson (left) to speak at the local Rotary Club where he and Anne are members. Harry would prefer if we changed our name to the Canadian Union of Taxpayers — a.k.a. "CUT" — and is a regular reader of The Taxpayer magazine. Thank you for your dedicated support over the years, Harry.



\$169,000 FOR 19 DAYS OF EXERCISE

British Columbia's NDP-Green coalition government recently plucked \$169,000 from its CleanBC fund and planted it into a smartphone app called Carrot Rewards, which would track how much you move around and how much healthy food you eat. App users would earn points toward such things as movie passes as their "carrot" reward for walking and running around.

(Note: the B.C. government now calls walking and riding your bicycle "active transportation.")

The problem? Carrot Rewards ceased to exist just 19 days after the government made its most recent funding announcement.

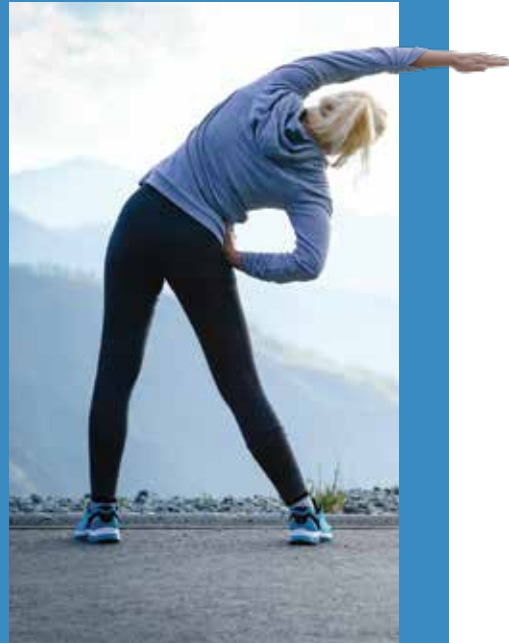
The Carrot Rewards app launched back in 2015 and since then received millions of taxpayer dollars from the federal, Ontario

and B.C. governments. The Ontario government under Premier Doug Ford cancelled its funding of Carrot in December 2018.

The CTF will find out exactly how much taxpayers' money has been munched by this app that duplicated many already available programs.

The B.C. government is spending more than \$902 million on its new CleanBC program over the next three years. It's dedicated to banning gasoline-powered cars by the year 2040, pushing homeowners into giving up their natural gas furnaces and presumably making construction workers use electric-powered bulldozers (which haven't yet been invented).

Source: *Globe and Mail, B.C. government website*



Burning through taxpayers' money, literally



If you ever feel like the government is burning through your tax dollars like kindling, you'd be right.

A tiny company in Atlantic Canada that dries scrap lumber and then bags and sells the wood as kindling has received 14 separate handouts, totalling more than \$1.6 million, from the federal government since it opened for business in 1999.

Fiready Inc., located in the village of Clair, N.B., has been given money for nearly every stage of the company's existence on an almost yearly basis.

The company employs 12 people in a village with a population of 781.

For example: In 1999 it got a loan of \$291,230 to buy a dry kiln to make the kindling. In January 2019 it got a loan of \$303,250 for a bagging machine. In total the company has received more than \$1.6 million in loans and grants from the federal taxpayers, along with \$200,000 in loans from the Business Development Bank and subsidies worth \$160,000 from the government of New Brunswick.

According to documents, Parks Canada has also spent \$866,693 in firewood purchases for campers to use at Fundy and Kouchibouguac National Parks.

That means that you paid for both the creation of the kindling and the purchase of the kindling.

Source: *Blacklock's Reporter*

Incompetence pays — if you work for the federal government

Federal government employees are rarely fired for incompetence and they still get raises every year, even if they do their jobs very poorly.

The Public Sector Labour Relations and Employment Board has ruled against a 2014 directive, issued under former prime minister Stephen Harper, which had required government workers to "show initiative," "demonstrate integrity," and

"think things through" in order to earn their raises.

Of the approximately 196,000 staff in major federal departments, only an average of 89 employees are let go each year for misconduct. That's 0.045%.

The labour board also found that there was a difference between garden variety incompetence and "deliberate deviant behaviour."

Source: *Blacklock's Reporter*

Bailing out a scow with our treasure



Québec taxpayers are getting a rough ride after their government spent \$2.1 million on a nearly 50-year-old ferry to replace a relatively new ferry which was put into dry dock with propeller problems.

There were two big issues with the much older replacement ship: it wasn't seaworthy and it kept smashing into the docks. These issues were only discovered after it was bought.

The NM Apollo was meant to ferry people and their vehicles across a wide portion of the St. Lawrence River in the eastern part of the province. The government inspected the boat after it had bought it, and found the hull wasn't fully watertight and there were exposed electrical wires and rusted-out cabinets in the main bridge.

The 240-passenger, 80-vehicle vessel smashed into the ferry dock on Feb. 25 and then again on March 17 of this year. Taxpayers had to pay to have the damage fixed and, after the inspections, the boat was condemned.

To add insult to injury, the rusty old NM Apollo was hurriedly purchased as a replacement after the much newer F-A Gauthier ran into mechanical problems only four years after it was purchased from an Italian company at a cost of \$175 million.

The provincial government has now fired the head of the department responsible for ferry service.

Source: *City News Toronto*

'Creating jobs' at \$69,000 per gig

The federal government has plowed nearly \$2 billion in taxpayers' money into a department that you might never have heard of, in order to create a tiny fraction of the jobs in Ontario.

The Federal Economic Development Agency for Southern Ontario used the nearly \$2 billion to create 29,000 jobs — a whopping \$68,966 of seed money per job. Since the Ontario workforce is 7,378,800 strong, the federal "loans" account for about 0.4% of jobs.

The same agency, often called FedDev Ontario, has given the green light to loans of millions of taxpayer dollars to multinational corporations such as Toyota and Ford.

FedDev Ontario was created 10 years ago. However, according to access to information documents, the agency lacks even a basic mission statement.

Source: *Blacklock's Reporter*

Phoenix Pay system fails to rise from the ashes of taxpayers' money



Until 2016, federal government employees — everyone from coast guard officers in B.C. to office dwellers in Ottawa — were paid via 46 separate payroll systems that dated back to the 1970s. Then the Harper government tried to "streamline" those systems into one pay program.

Before it was successfully tested, Prime Minister Justin Trudeau's government flipped the "on" switch on the Phoenix Payroll system as one of its first moves. The program promptly crashed and burned. Paydays were mangled for 62% of federal employees. Countless audits and reviews ensued, faulting management for installing the system before it was ready. Not one manager was fired.

Some employees went months on end without seeing a single paycheque, forced to live off their credit cards, declare bankruptcy or move in with family while being promised that the problems "would be fixed very soon." Others were overpaid and had to keep all the accounting straight themselves until the money could be recouped. The feds have now worked out a compensation deal that includes coverage for the "mental anguish" some endured. The amount of compensation has not yet been released.

The parliamentary budget office says the payroll disaster has cost Canadian taxpayers \$2.6 billion to date and it's still not fixed. That's more than Ontario has spent on the new state of the art Sick Kids Hospital in Toronto.

The government wants to install another new payroll software system in 2023.

Source: *News Talk Radio CFRA Ottawa, Blacklock's Reporter*

Environmental regulators can't give up paper

Taxpayers in Québec forked over \$4.7 million in a failed attempt to have their environmental regulation inspectors switch from their standard paper forms to new software loaded onto 246 new “rugged” computer tablets. Each tablet cost about \$4,500 with the software program costing \$832,975.

Inspectors with the Ministry of the Environment and the Fight Against Climate Change tried using the expensive new electronic tablets for a year but they never worked properly with the software.

The tablets were taken away and they are now stuck on a storage shelf somewhere. The government employees have gone back to paper forms. No word yet if they redesigned some new paper forms or if they just grabbed the next one in the box they had already been using.

Source: *Journal de Québec*

A senator wasted your money finding out the Senate is wasting your money

Independent Sen. Donna Dasko, appointed by Trudeau in 2016, spent \$15,255 of taxpayers' money on a poll to find out whether Canadians think that the Senate is an irrelevant waste of money.

Survey says: We do!

Dasko, who worked as a pollster before she was appointed to the Red Chamber, commissioned the poll through Nanos Research and released the results April 11.

The telephone survey of 1,000 people found that 46% of Canadians hold a negative view of the Senate, with many respondents describing it as “ineffective, waste of money, outdated, corrupt, not trustworthy and pointless.”

The base salary of a Canadian senator is \$153,900 per year, with some making more if they have additional roles such as committee chairs.

Source: *Blacklock's Reporter, Globe and Mail, parliamentary website*

Québec government forgets taxes exist

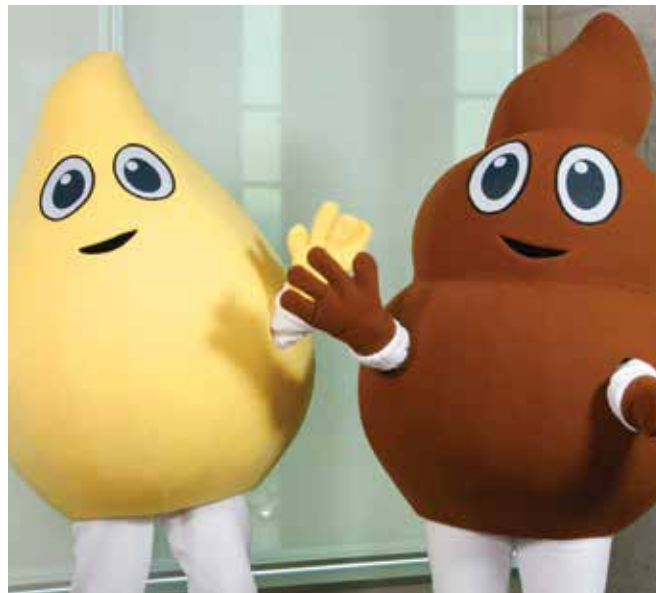
Extending a transit rail line in Montréal is going to unexpectedly cost taxpayers \$600 million more because bureaucrats forgot to add the cost of taxes on the construction

and they underestimated the cost of expropriating land for the project to extend one line by about five kilometres.

The addition will now cost \$4.5 billion instead of \$3.9 billion. The federal government is expected to fork out about \$1.3 billion in taxpayers' money for the transit project and Montréal drivers were recently hit with a \$50 annual increase in vehicle registration fees to help pay for expanding transit systems.

Source: *La Presse*

Metro Vancouver wastes money on waste



Transit commuters in Metro Vancouver were recently greeted by a human-sized dollop of brown feces and a bright yellow droplet of urine as they left the SkyTrain at a downtown station.

Why? The mascots were dreamed up by politicians and bureaucrats at the Metro Vancouver Board as a way of reminding people to not flush foreign objects such as condoms, tampons and baby diaper wipes into the city's sewage system.

Let's hope they don't create any more stinky mascots at our expense.

The CTF has submitted a freedom of information request to flush out the facts and find out how much of your money was spent to plan, design, sew and pay for the “Poop and Pee” mascot costumes and their human wearers. The cost will appear in a future edition of The Taxpayer.

Source: *Vancouver Sun*

Bureaucrats blow through billions during March Madness



It happens every year without fail in Ottawa: March Madness.

That's the annual money-burning bacchanalia when managers in Ottawa check their budgets to see if they have any of your money left over that they haven't spent yet. Then they go on a spending spree to blow the rest of their budgets before April 1. Why? Because if they don't, it's feared the finance department will allocate them less money in the following year.

According to documents, this year during March Madness they spent your money on things like balloons, steak dinners and fancy cheeses.

For example: The Privy Council Office (the bureaucrat wing of the Prime Minister's office) – spent \$409 on steaks, \$106 on party balloons, \$79 on fancy cheeses, \$22 on cigars and \$1,655 at Steve's Music Store, a guitar shop in Ottawa.

The Canadian Food Inspection Agency spent \$14,478 at Canadian Tire for items listed as “miscellaneous.” Did they buy new ATVs to quad around cattle ranches to inspect them? Was this for mechanical work on their trucks? We don't know yet and we will try to find out through access to information.

The International Development Research Centre spent \$2,561 on bagels and coffee. The IDRC is a Crown corporation that flies around the world to supposedly help people in poor and developing countries. That same outfit also spent \$4.7 million on travel, hospitality and conferences last year. That's an \$800,000 increase from 2016.

Lastly, the Finance Department spent \$138,877 on budget items vaguely marked “various” before the clock struck midnight on March 31.

Source: *Blacklock's Reporter and government of Canada*

Waste that takes your breath away

The federal government through Health Canada paid a pollster \$59,924 to find out whether teenagers would like to get some free breath mints, T-shirts and “fidget spinners” to try to convince them to stop smoking.

The department paid Phoenix Strategic Perspectives Inc. to conduct three focus groups with young smokers in Saskatoon, Montreal and St. John's.

According to documents, the teenagers' reactions to the government's “Break it Off” campaign and website, which included a 24/7 live “quit coach” telephone hotline, was apparently “lukewarm.” However, the teens warmed to the idea of free prizes such as T-shirts, stress balls, pens, keychains and a cardholder that snaps onto the back of their mobile phones.

The \$59,924 bill does not include the cost of any of the promotional items; it only included the cost of conducting the focus groups.

The BreakItOff.ca website's 30-second YouTube video has fewer than 600 views.

Health Canada has not commissioned any anti-smoking television ads since 2007 and smoking rates have dropped to around 5.3 million smokers in Canada.

Source: *Blacklock's Reporter and government website BreakItOff.ca*

Paying YouTube influencers for nothing

Elections Canada handed over \$325,000 of taxpayer money to 13 “social media influencers” who were booked to help boost voter turnout in Canada.

(Social media influencers are people who are famous on internet social media such as Instagram and YouTube.)

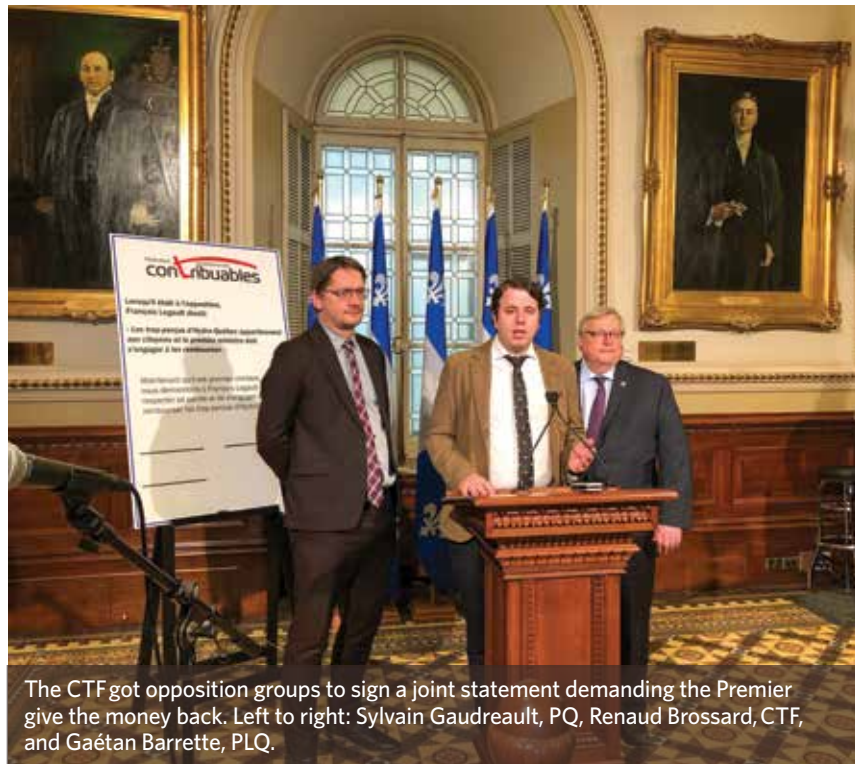
The online celebrities paid by Elections Canada were expected to star in a video urging young people to get out and vote. However, the project was suddenly scrapped when Elections Canada realised that some of them had already said partisan things online. They are not asking for the money to be paid back because all the influencers had fulfilled their contractual obligations, even though the video never aired.

Taxpayers gave them about \$25,000 each.

The Canadian social media influencers included Olympic swimmer Penny Oleksiak (59,000 Twitter followers), First Nations model Ashley Callinbull (22,000 Twitter followers), Olympic runner Andre De Grasse (63,000 Twitter followers) and Youtubers Mitch Hughes and Lilly Singh, each with millions of subscribers.

Source: *Global News*

A \$1.5-billion victory against Hydro-Québec



by Renaud Brossard
Québec Director

Every provincial government has its sacred cows. One would be the government-owned power utility, Hydro-Québec. Quebecers have a love-hate relationship with it. They hate the lack of alternatives, the fact that prices always seem to be rising, its upper management's high salaries and its horrendous customer service. But if one were to suggest privatization or market liberalization, he'd be hung in a public square.

For the past decade, Hydro has been overcharging Quebecers. As a government monopoly, it must ask the provincial energy regulator every year for permission to raise its prices. To avoid having Hydro raise rates too quickly, the provincial government has

capped the profits Hydro is allowed to collect from the domestic market. Due to systematically lower consumption estimates and higher cost estimates from Hydro, it has posted higher profits than its mandated cap every single year for the past 10 years. Sometimes, profit was higher by as much as 49%.


The government did nothing to enforce its own cap and just kept the extra profits. Over the years, the proceeds from this hidden tax snowballed into a \$1.5-billion issue. For years, a certain opposition politician named François Legault fought tooth and nail to get that money back into Quebecers' pockets, his efforts culminating in a 48,000-name petition his party delivered back in 2017. Despite those efforts, then-premier Philippe Couillard refused to give the money back, only agreeing to refund half of future overpayments.

Fast-forward to the October 2018 provincial election, when Legault's Coalition avenir Québec won and he became premier. Given the efforts his party put into getting those overpayments refunded, we expected him to do so at the first opportunity. Yet, when Hydro's financial statements were published in late February, Premier Legault changed his tune. This wasn't a "hidden tax" anymore, it was now a legitimate government revenue tool. The Canadian Taxpayers Federation had to jump on the issue.

We started collecting signatures on a petition demanding that the government refund Hydro overpayments to Quebecers the very next day. We got more than 22,000 signatures over the course of a single weekend, making it our most successful petition to date in La Belle Province. We were only getting started.

Over the following months, we bought ads in the premier's local riding newspaper, got the opposition to sign a joint statement demanding Legault refund the overpayments, started a campaign getting more than 1,500 Quebecers to email the premier and ultimately delivered our petition counting 75,000 names by late May. Clearly, Quebecers wanted the premier to do the right thing and they responded massively to our call to action.

It only took two weeks after we delivered our petition for the government to come up with a plan to refund overpayments. Starting in 2020, the government will be applying a \$500-million rebate on Hydro rates and will freeze rates for a year. For the four next years, increases will be limited to the inflation rate. In total, it adds up to a \$1-billion rebate. On top of that, Québec ratepayers will save another \$1.5 billion over the coming years.

Thanks to your support, we were able to show the new government that if it tries to fleece taxpayers, it will find the CTF in the way. 

Trans Mountain approval a step in the right direction



by Franco Terrazzano
Alberta Director

Taxpayers can let out a sigh of relief as the federal government has, once again, approved the Trans Mountain pipeline expansion. Canadian taxpayers are currently losing \$3.6 million every day due to the pipeline deficit and Trans Mountain will help recover some of those losses.

This green light comes more than two years after the pipeline project was originally approved and after large advocacy initiatives such as the CTF's cross-country pipeline tour (see page 32), the large truck convoy to Ottawa and rallies across the nation have put pressure on the Trudeau government.

Taxpayers are gaining ground on the pipeline front as Trudeau's approval follows a number of other energy

sector wins. The B.C. court of appeal has ruled that its government cannot restrict oil shipments coming from Alberta, an IPSOS poll shows 60% of British Columbians support the pipeline project and a large coalition of premiers now oppose the federal carbon tax and legislation that could landlock our resources.

While this is all welcome news, there are still some big questions that need to be answered.


We know the feds can approve pipelines, but can they get them built? Are businesses willing to invest in future pipeline projects given Canada's nightmarish regulatory system?

We need pipelines to tidewater so we can sell our resources all over the world for full value. But it's tough to imagine businesses wanting to build more pipelines in Canada unless the feds scrap Bill C-69 (dubbed



We need pipelines to tidewater so we can sell our resources all over the world for full value.

the "No More Pipelines Act"), the discriminatory tanker ban and stop moving the regulatory goalposts.

The recent Trans Mountain approval is a win for taxpayers. But all Canadian taxpayers need to keep pushing our politicians to remove the other barriers roadblocking pipelines. 

NATIONAL PHARMACARE: A PRICEY PROPOSITION



by Aaron Wudrick
Federal Director

In early 2018, Prime Minister Justin Trudeau appointed former Ontario health minister Eric Hoskins to chair an advisory council on the implementation of a national pharmacare program.

In June 2019, the council issued its final report recommending a top-to-bottom overhaul of prescription drug coverage that would effectively replace the existing system (see sidebar).

There are a number of reasons to be skeptical that Hoskins' recommendation is the best approach.

First, the status quo is serving about 80 to 90% of people quite well yet the report strangely concludes that the best way forward is to overhaul everything to help the remaining 10 to 20%.

Second, it isn't the most efficient use of money. In fact, Hoskins has made this mistake before. As provincial health minister under Kathleen Wynne, he introduced changes to Ontario's health insurance plan that made prescription drugs free for everyone under age

25. He did this in spite of the fact the overwhelming majority of this group was already fully covered by their parents' workplace or private plans, meaning he chose to spend taxpayer money subsidizing people who had zero need for a subsidy.

Third, the federal cupboard is already bare: the Trudeau government's failure to balance the budget as promised, with deficits now projected to continue indefinitely, mean there is simply no extra money to pay for such a big new program. Even should there be a dramatic course correction that led to surpluses, there would still be a huge federal debt to pay down, which should take priority over new spending.

Fourth, it's extremely unlikely that a new pharmacare system would actually cost \$15 billion annually, as Hoskins suggests. Governments' ability to accurately estimate costs of big new programs have a terrible track record. And when it comes to pharmacare specifically, both Hoskins' and the parliamentary budget office — which in a 2017 study pegged the cost at about \$18 billion — make a number of dubious assumptions (see sidebar) that likely underestimate the real cost.

Fifth, it would mean that most people actually end up with less coverage than they have today, because current private plans cover far more drugs than even the most comprehensive government plans. Private plans also approve new drugs much faster than government plans.

Finally, there is the issue of jurisdiction over health care. While provinces could band together to maximize negotiating power to reduce drug prices, many provinces will be reluctant to hand over control of the list of covered drugs (known as the formulary) to Ottawa. Also, some provinces already offer government plans to varying degrees — Québec already requires everyone be on either a government or private plan — so will see Ottawa's plan as unnecessary overreach.

It's true there are gaps in Canada's pharmacare system; it is a valid issue for politicians to discuss. But it's clear that the most efficient and practical solution is to address those gaps by targeting money where it is needed most, ensuring taxpayer money is spent as effectively as possible, rather than embarking on an expensive exercise of overhauling a system that already works well for most Canadians. **T**

HOW WELL IS THE STATUS QUO WORKING?

Approximately 90% of Canadians have some level of insurance coverage for prescription drugs. About 67% have coverage through private plans (including employer plans) and another 23% have coverage through provincial plans. About 10% of Canadians have no coverage.

Most private plans currently provide more extensive coverage (in terms of their lists of eligible drugs, known as formularies) and in some cases cover two or three times as many drugs.

The Hoskins report argues that some Canadians who have coverage are "underinsured" (they have some coverage but could have more) but concedes that about 80% of Canadians already have coverage.

In short, when discussing the shortcomings of our pharmacare system and policies to address them, we should recognize that the current system works well for the vast majority of Canadians.

DUBIOUS ASSUMPTIONS: WHY PHARMACARE WILL COST MORE THAN ADVERTISED

Politicians are notorious for providing overly optimistic estimates for expensive projects, and pharmacare is no exception. Here are some of the reasons that the Hoskins report and parliamentary budget office estimates about the cost of government pharmacare are likely too good to be true.

They don't fully account for inflation: estimates for a future program are based on 2015 drug costs, which are already out of date. With drug costs growing at nearly 6% annually, this would add about \$10 billion to the estimates at the time of implementation.

They assume a very high discount rate for drugs: many Canadian provinces already work together to negotiate lower drug prices, meaning some of these savings are already "baked in." Additionally, the \$15-billion price tag assumes instant savings from Day 1, when in reality prices for each drug must be negotiated individually. That would mean years, if not decades, before any savings can be realized. This would add about \$4 billion in costs.

They don't consider additional spending on drugs not covered: a national government plan will not cover all the drugs covered by current private plans, meaning that people who are currently covered by more comprehensive private plans would have to start paying out of pocket for some drugs.

They underestimate the spike in demand: the PBO report in particular estimates a 12% increase in demand for drugs as a result of 100% coverage. But in Québec, which already has 100% coverage between government and private plans, the demand is 35% higher than in the rest of Canada. A similar jump in demand across the rest of Canada would add billions more to the price tag.



Do Canadian forests remove more carbon dioxide from the air than Canadians emit from all sources?



by Jeff Bowes

Jeff Bowes ANSWERS:

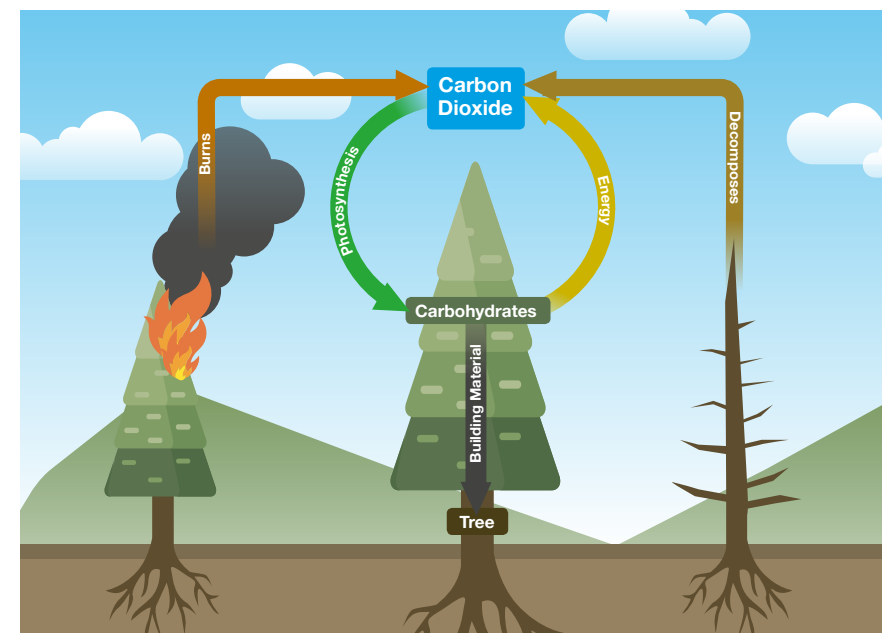
As we all learned in school, trees and other plants remove carbon dioxide from the air through photosynthesis. Plants use energy from sunlight to combine carbon dioxide and water, resulting in oxygen being returned into the air. Since Canada has 347 million hectares of forest, some people have speculated that our country removes more carbon dioxide from the air than Canadians emit.

Sadly, this doesn't appear to be the case.

The idea that Canadian forests remove more carbon dioxide than we emit is based on some simple math: the number of trees in Canada multiplied by how much carbon dioxide a tree removes from the air in a year. In its simplified form, the calculation works like this: there are 390 billion trees in Canada and a tree sucks up 21.3 kilograms of carbon dioxide each year. That suggests Canada's trees removed 8,307 million tonnes of carbon last year, 11 times more carbon dioxide than Canadians emitted in the same year.

Unfortunately, this doesn't account for the complexity and variety of our forests. It overestimates how much carbon dioxide the average tree removes from the air and doesn't account for the full life cycle of the tree. It also likely overestimates the number of trees. According to a 2015 Washington Post article, citing a Yale researcher, Canada has 318 billion trees, still the second-most of any country.

While a tree can remove as much as 21 kilograms of carbon dioxide from the air in a year, the average tree captures much less. How much carbon a tree captures depends on the type of tree, its age, location and the weather.



Also, trees don't just capture carbon, they also emit it.

Photosynthesis releases oxygen back into the air, but it also produces carbohydrates. The carbohydrates serve two purposes for plants: a source of energy and material to build the plant.

When the tree uses the carbohydrates for energy, the chemical reaction releases carbon dioxide. Trees emit around half of the carbon they remove from the air this way.

The rest of the carbon becomes part of the tree. Carbohydrates are the main building material for trees, which are almost entirely made up of the carbohydrates created through photosynthesis. In fact, if you burn a piece of wood completely, the ashes left at the end are the only material in the tree that came from a source other than the carbohydrates.

At this point in the carbon cycle, the carbon that is now part of the tree can be counted as offsetting other emissions for that year. However, the carbon will be released eventually, so that needs to be accounted for, too. When the tree dies and decomposes, the carbon is released back into the air as carbon dioxide.

A lot of the forests in Canada are relatively old; as forests age, they grow

less quickly and have more decomposing trees. This continues until the forest is decomposing at around the same rate as it is growing. In those forests, carbon dioxide is being released back into the air almost as quickly as it is being removed. According to the National Forest Inventory, 71% of Canadian forests are more than 60 years old and 30% are more than 100 years old.

Younger forests remove much more carbon than they emit, but young forests generally only grow after an older forest has been removed. Fires, disease and insects can make space for that younger forest to grow, but they also cause the forests to release the carbon stored in the trees.

Based on Natural Resources Canada information, before 2002 our forests removed more carbon than our forests emitted, but it wasn't enough to offset Canada's overall emissions. In 2001, forests removed 69 million tonnes more carbon dioxide than they emitted. However, total carbon emissions in Canada were 610 million tonnes that year, nearly 10 times more than our forests removed.

Today, Canadian forests add to our total emissions. According to NRC, starting in 2002 an increase in forest fires

and insect infestation has caused forests to release more carbon dioxide than they removed from the air. Since trees build up their carbon over many years, massive forest fires release a lot of carbon.

Carbon emissions tend to rise or fall gradually. People use around the same amount of fuel in their cars every year and industrial processes change slowly. On the other hand, forest emissions can change dramatically from year to year based on the number of forest fires or insect infestations. For instance, emissions from forests were 237 million tonnes in 2015 but dropped dramatically to 78 million tonnes in 2016.

If we ignore the natural disturbances, such as fires and infestations, and just focus on the forestry industry, we can get another perspective. Accounting for harvesting, controlled burning, reforestation and the products produced from the forest, Canada's managed forests consistently remove more carbon from the air than they emit. In 2016, they removed 20 million tonnes of carbon dioxide from the air.

This is because the sustainable practices in managed forests mean the forest will be regrown and the carbon captured in the tree isn't necessarily released. How long the carbon stays out of the air depends on what the wood is used for. If the wood is burned, the carbon is released back into the air quickly, but if it is used to construct buildings, the carbon remains captured for a long time.

According to the Canadian Wood Council, a 2,400-square-foot wood-frame house holds around 28 tonnes of carbon dioxide, equivalent to the emissions of a small car over seven years. That carbon remains captured as long as the building stands.

While it is certainly true that using more Canadian forestry products could increase how long the carbon from our forests is sequestered and removed from the atmosphere, it won't make a significant difference. Canada is only responsible for 1.6% of global emissions. Even if our forests suddenly removed more carbon from the air than we emitted, it would have no meaningful impact on the world's total emissions. **t**

WANT THE CTF
TO TACKLE YOUR
QUESTION?

Ask for it by e-mail at:
research@taxpayer.com





THE 2019 Teddy Waste Awards



by Aaron Wudrick
Federal Director

The Canadian Taxpayers Federation this winter hosted the 21st annual Teddy Waste Awards on Parliament Hill in Ottawa. The Teddys, which are golden pig statuettes awarded annually by the CTF to the worst waste offenders in government, are named for a former Ottawa bureaucrat named Ted Weatherill, who was fired in 1999 for expensing more than \$150,000 in dubious travel and meal claims. We (unfortunately) have no shortage of candidates each year but managed to narrow down the field to 17 finalists in four categories.



FEDERAL TEDDY

Winner: Prime Minister Justin Trudeau
Nominated for: Most costume changes on a foreign trip
Cost: At least \$1.6 million



Prime Minister Trudeau's visit to India in February 2018 cost taxpayers at least \$1.6 million and it's not clear what value taxpayers got for their money.

For the eight-day trip, the prime minister only scheduled a half-day of official government business, but did manage to find fancy, traditional Indian outfits to wear for every day of his visit.

While on the trip, it emerged that a Canadian man convicted in a failed attempt to assassinate an Indian cabinet minister in 1986 was invited by a Liberal MP to attend one of the PM's events in Mumbai, and even managed to get a photo taken with the PM's wife, Sophie.

The prime minister also faced criticism for bringing a Vancouver-based celebrity chef to India to prepare Indian cuisine at the Canadian High Commission, at a cost of \$17,000 to taxpayers.

The trip was such a fiasco that in a year-end media interview, when asked his biggest regret of 2018, the prime minister himself said: "This year, the India trip."

Nominee: The Harper and Trudeau governments
Nominated for: Worst corporate welfare "investment"
Cost: \$2.6 billion

In 2009, the Harper government announced a \$14-billion bailout of General Motors and Chrysler's Canadian operations. In the case of Chrysler, which was divided into a "new Chrysler" and an "old Chrysler," loans were deliberately structured to saddle the "old" entity with the loans while leaving the "new" entity off the hook entirely.

In October 2018, the Trudeau government wrote off the remaining Chrysler loans with little fanfare, marked as a single line item of \$2,595,974,536 which appeared in the Public Accounts.

A 2015 CTF study found that the 2009 auto bailouts cost Canadian taxpayers at least \$3.7 billion.

Nominee: Global Affairs Canada
Nominated for: Most expensive seat cushions, glassware and credenzas
Cost: At least \$197,000

Global Affairs spent \$127,000 on crystal glassware since 2016, buying more than 1,000 glasses at an average cost of \$117, more than twice the price of high-end Tiffany crystal.

Access to Information documents obtained by the CTF showed a troubling pattern of expensive purchases by Global Affairs Canada.

The Canadian embassy in Mexico City spent just less than \$25,000 on 86 seat cushions, which works out to \$286 per cushion, while the Canadian consulate in Hong Kong spent more than \$46,000 on tables, chairs and a credenza since 2017.

When asked for comment, a spokesperson for Global Affairs stated, "we know that taxpayers' dollars must be treated with the utmost respect."

Nominee: The Department of National Defence
Nominated for: Simulated high but real waste
Cost: \$170,000

In February 2018, news broke that the Canadian Forces was planning on spending up to \$170,000 buying special goggles that would allow its senior leaders to experience a simulated version of getting high.

The goal of the goggles, according to the Department of National Defence, was to provide a "realistic, first-hand experience" of what smoking pot feels like. Once wearing the goggles, participants would have to undertake activities such as tossing a ball, exercising and simulated driving.

Nominee: Shared Services Canada
Nominated for: Silly spider scares
Cost: At least \$18,000

On two separate occasions, spider scares at a Shared Services Canada office in Ottawa led to evacuation, with 50 employees sent home for two days.

On the first occasion, the building owner paid to have the building fumigated. On the second occasion, the spider was caught and sent for identification, but before the results came back, the office was again fumigated, this time at a cost of \$18,000 to taxpayers.

The spider, which was initially feared to be a poisonous brown recluse spider, was ultimately determined to be a harmless yellow sac spider.

An arachnologist at the University of Toronto characterized the evacuations as "totally absurd and a giant waste of money," noting that "literally fewer than five" brown recluse spiders had been recorded in Canada in the last century, and that in any event they pose little threat to humans because as, their name suggests, they are reclusive and avoid people.

Nominee: Finance Minister Bill Morneau and Democratic Institutions Minister Karina Gould
Nominated for: Least helpful way to ensure media independence and fight fake news
Cost: \$57 million

As part of the spring 2018 budget, Finance Minister Bill Morneau announced \$50 million in taxpayer subsidies over five years to support media in “underserved communities.” The money would be administered by a nongovernmental organization selected by the government.

In January 2019, Democratic Institutions Minister Karina Gould announced \$7 million to “enhance citizen preparedness” to combat fake news by making Canadians aware that sometimes things they read on the Internet aren’t true.

Among the initiatives planned are “awareness sessions, workshops and learning material” in the hopes that they will help ensure Canadians “are better equipped to think critically about what they read and share online.”

PROVINCIAL TEDDY

Winner: British Columbia’s Clerk of the House Craig James and Sergeant-at-Arms Gary Lenz
Nominated for: The B.C. legislature spending bombshell
Cost: Unknown



On Nov. 20, 2018, Craig James and Gary Lenz, respectively the clerk and sergeant-at-arms of the B.C. legislature, were escorted out of the building by police and suspended with pay.

In January 2019, Darryl Plecas, Speaker of the B.C. legislature, released a bombshell 76-page report alleging a pattern of lavish and outrageous spending on the part of James and Lenz, causing him to undertake a year-long investigation to document their spending by tracking their receipts and expenses.

Plecas alleges that James and Lenz used taxpayers’ money to take frequent and frivolous trips to places such as the United Kingdom, Hong Kong, Sri Lanka and Washington.

Plecas also alleges, with hundreds of receipts provided as evidence, that James and Lenz milked taxpayers for such items as:

- a \$3,200 wood splitter with a \$10,000 trailer, ostensibly for the purpose of cutting fallen wooden beams at the legislature in the event of an earthquake (it was stored at James’s house).
- a \$700 watch purchased from the departure lounge at the Hong Kong airport (it appears to have been worn by James at the very press conference where he proclaimed his innocence).
- \$1,000 for a whale-watching excursion which was claimed as a tsunami awareness exercise.
- \$1,300 for tickets to a Seattle Mariners game, which was claimed as attendance at an information session on mass evacuations.

Neither James nor Lenz has been charged with any crime and both continue to deny any wrongdoing.

Nominee: Jacques Chagnon, former Speaker of the Québec National Assembly
Nominated for: Lobster and wine on the taxpayer dime
Cost: More than \$825,000

Jacques Chagnon, Speaker of the Québec National Assembly from 2011 to 2018, had an expensive palate, ordering lobster daily in-season from the assembly’s dining room, even though lobster was not even on the menu. Chagnon was also criticized for hosting afternoon work meetings where wine was served liberally, with the bill regularly exceeding \$1,000, in some cases as much as \$2,700.

Chagnon also reportedly had his office cover all expenses on various international trips for Québec MNAs of all parties, including airfare, meals and alcohol. Only total figures for these trips, which include a \$39,000 visit to Japan and China, a \$38,000 trip to Switzerland and a \$75,000 visit to Madagascar, are available, with repeated attempts to get more detailed breakdowns of these expenses being refused by Chagnon’s office.

In a June 2018 interview following public revelations of his lavish spending ways, Chagnon stated that controlling spending on meals and alcohol “never crossed my mind” and that he has “never been concerned about such issues, ever.”

Chagnon’s term as Speaker ended in November 2018 after he did not seek re-election as an MNA in the 2018 Québec election.

Nominee: The Government of Manitoba
Nominated for: Feathering Canada Goose’s nest
Cost: \$1.48 million

In September 2018, Premier Brian Pallister announced that Manitoba taxpayers would be subsidizing luxury jacket maker Canada Goose, even though the company is wildly successful and has a market capitalization of around \$8 billion.

The stated purpose of the subsidy is to train new sewing machine operators, meaning Manitoba taxpayers will be

Spreading the Teddy Awards around the world

While 2019 was the 21st annual edition of our Teddy Awards here in Canada, some other taxpayer groups on the other side of the globe have recently initiated government waste awards of their own.

In October 2018, the New Zealand Taxpayers’ Union held its inaugural Jonesie Awards. They’re named after a government minister, Shane Jones, who as part of a coalition government agreement got the governing party to give him a \$3-billion slush fund to spend as he saw fit.

Perhaps the most deserving winner was for the local government Jonesie Award, given to the Auckland Council for spending \$91,742 on a goat cull that didn’t manage to kill any goats.



Across the Tasman Sea in Australia, the world’s oldest taxpayers’ organization, Tax and Super Australia, hosted its inaugural Galah Awards in May 2019. (The Australian Museum once explained, “we call people galahs if they are acting silly or do something foolish.”)

Perhaps the best nominee this year was a \$1.5-million payment from a “road trauma trust account” set up by the government Road Safety Commission to a struggling professional rugby team. The payment was eventually cancelled after an inquiry couldn’t figure out how this bailout helped improve road safety.

FEATURE

paying \$1.48 million to pay people to sew luxury winter coats for Canada Goose.

Nominee: Nova Scotia's Yarmouth Ferry
Nominated for: Forcing taxpayers to keep the boat afloat
Cost: More than \$10 million annually

A returning nominee from 2017, when it made headlines for losing millions of dollars and sticking Nova Scotia taxpayers with the cost of improvements to the Portland, Maine, ferry terminal. The Yarmouth ferry made headlines again in 2018, this time because taxpayers are on the hook to pay for border agents staffing the U.S. terminal of the ferry, as well as for upgrades to yet another foreign ferry terminal, this time in Bar Harbor, Maine.

When asked whether Nova Scotia taxpayers would be on the hook for upgrades to the Bar Harbor terminal, or what the total cost would be, the province's transport minister told reporters, "I have no idea." In February 2019, Nova Scotia's official opposition party filed court documents to try to force the government to release details of the ferry contract, which the government has repeatedly refused to do.

According to a 2016 report, the cost to operate the Yarmouth ferry exceeded the money spent by visitors by more than \$10 million in less than two years.

MUNICIPAL TEDDY

Winner: City of Vancouver's park board
Nominated for: Most expensive conversations with trees
Cost: \$7,000

The City of Vancouver's park board spent \$7,000 inviting local residents to send emails to trees and have artists send replies on the trees' behalf.

The All the Trees project, which ran from August to December 2018, saw 25 trees in the Jericho and West Point Grey areas outfitted with signs that included an ID number and an email address for people to send emails. The city then hired five artists, paying each a stipend, to reply on the trees' behalf "within a week."

Asked for comment by local media, one local resident responded, "what would be the benefit of doing that" while wondering "how much did they spend on that?"

Nominee: Town of Vulcan, Alta.
Nominated for: Most illogical use of taxpayer dollars
Cost: \$4,340

The Town of Vulcan, Alta., population 2,000, shares a name with the home world of Star Trek character Spock, which has

helped turn it into a tourism destination for fans of the popular sci-fi series.

In February 2018 the town council decided to spend \$4,340 for new Star Trek uniforms for its mayor and six councillors.

Nominee: The city of Calgary
Nominated for: Waste of Olympic proportions
Cost: \$18 million



The city of Calgary's ill-conceived bid to host the 2026 Olympics cost taxpayers \$18 million, including at least \$1.4 million on advertising.

Calgary 2026, the entity funded by the city together with the federal and provincial governments, retained as many as 46 consultants as part of its bid, far more than rival cities Stockholm (10) and Milan (none).

Calgary held a plebiscite on the Olympic scheme in November 2018. The CTF campaigned to reject the plan as unaffordable. Calgaryans voted NO to the Olympic bid 56% to 44%.

Nominee: Rural municipality of Clayton, Sask.
Nominated for: Worst bridge ever
Cost: \$340,000

The rural municipality of Clayton, Sask., spent \$340,000 to build a bridge over the Swan River and it was opened on the morning of Sept. 15.

By 4:30 p.m. the same day, the bridge deck had collapsed into the river below. No one was injured.

Local Reeve Duane Hicks, when reached for comment, astutely observed that "nobody expected this."

Following the collapse of the bridge, it emerged that no geotechnical study had been conducted on the riverbed location.

Nominee: Vancouver's TransLink
Nominated for: Pricey pigeon control
Cost: \$1,000 per bird feeder

Pigeons are a constant annoyance and even a safety risk for commuters on Vancouver's SkyTrain. Aside from the

unpleasant bird droppings, the birds can also trip automatic alarms that cause the driverless trains to brake.

TransLink has taken many steps to deter pigeons from SkyTrain stations, including installing spikes and nets and even hiring a falconer to patrol stations with the most pigeons. But the pigeon problem has persisted

Now, taxpayers are paying for birth control for pigeons at a rate of \$1,000 per bird feeder, as a part of a pilot project at VCC-Clark station. In order to work, the pigeons must take a daily dose of the contraceptive, which is not effective if a pigeon misses a dose.

LIFETIME ACHIEVEMENT TEDDY

Winner: Former governor general Adrienne Clarkson
Nominated for: Soaking taxpayers even in retirement
Cost: At least \$1.1 million



Already the recipient of the 2004 Lifetime Achievement Teddy for her absurdly expensive trips while serving as the Queen's representative in Canada, former governor general Adrienne Clarkson won an unprecedented second lifetime achievement award for managing to continue soaking taxpayers more than 14 years after leaving office.

In October 2018, news broke that Clarkson had billed taxpayers more than \$100,000 per year almost every year since leaving office in 2005, for a total of more than \$1.1 million.

An absurd, 40-year-old policy allows former governors general to continue to submit expenses for reimbursement by taxpayers even after they have left office. The policy only requires that aggregate claims of more than \$100,000 per year be disclosed and no details of the expenses claimed are available to the public.

In January 2019, the CTF delivered a petition to Prime Minister Trudeau signed by more than 46,000 Canadians calling for an end to this outrageous policy, ensuring that former governors general can no longer bill taxpayers for expenses after they leave office. **t**



Second Street.org: TELLING CANADIANS' STORIES



Andre Williams



Tracy Skinner



by Colin Craig
President,
SecondStreet.org

've had the distinct pleasure of writing many articles for The Taxpayer magazine over the years, but this is my first as the president of a brand-new organization.

The rationale for creating a new organization was simple: Canada has lots of great think tanks and advocacy organizations that focus on macro-economic research, but no one was focused on telling stories featuring everyday Canadians and how they're affected at the micro level. How are people affected by a tax increase, a new health care policy, a pipeline project that was blocked by the government? Etc.

I'm pleased to report that SecondStreet.org is now up and running. And on that note, a big "thank you" to the Canadian Taxpayers Federation for helping us get off the ground.

Since we'll be telling stories at the grassroots level, we decided to name our new organization after Canada's most common street name — "Second Street." While SecondStreet.org is an independent organization, we're not trying to compete with established think tanks and advocacy organizations. In fact, we're making a concerted effort to collaborate with other great organizations in Canada wherever possible; the Canadian Taxpayers Federation, the Fraser Institute and Montreal Economic Institute, to name a few.

Since launching at the end of February, we've been working on a number of different initiatives. Here is a snapshot of a couple of issues we've tackled.

Canadians flocking to other countries for health care

Earlier this year, we came across an interesting story involving Tracy Skinner from Sylvan Lake, Alta. In short, after developing serious back problems many years ago, Tracy had surgery in Calgary. Unfortunately for Tracy, her surgery didn't work and the government told her there was nothing more it could do. For more than a decade, the system kept prescribing painkillers.

Eventually Tracy discovered a clinic in Tijuana, Mexico, and flew there for

surgery. She felt immediate pain relief after the procedure and is still doing well more than a year later. Tracy's medical tourism experience cost approximately \$30,000.

Tracy is one of thousands of Canadians who throw up their arms each year and leave the country for health care.

In March, we released a new report that examined waiting lists and the economic side of medical tourism. We tracked down data on how many Canadians are leaving the country each year for health care and how much they are spending abroad.

Our research found that patients made more than 217,500 trips outside Canada in 2017 specifically for health or medical reasons. For perspective, that's more than the population of Kelowna, B.C., or Barrie, Ont.

However, the figure above is on the low end. The total could actually be as high as 323,700. (We calculated a range due to the nature of the data we obtained from Statistics Canada.)

In terms of dollars spent abroad on health care, Statistics Canada's data is limited. The best figure we found indicated that Canadians spent approximately \$1.9 million every day on health care abroad in 2017. (Note: this figure includes all expenditures on health care — planned expenses, emergency expenses, medically necessary procedures and non-essential procedures such as plastic surgery.)

If governments want to keep some of these dollars in Canada, create jobs and provide more choice for patients, they could continue to fund our public health care system, but allow private clinics to provide more services than they're allowed to right now.

An arena a day keeps unemployment away

"Every time you take two steps forward there's a government policy that takes you three steps backward and it's extremely frustrating for workers and for companies in general."

That's what Andre Williams, a manager at a manufacturing company in Scarborough, Ont., told us when we spoke with him about natural resource development in Canada.

We had been adding up the cost of all the major oil and gas and mining projects in Canada that were stalled or cancelled over the previous five years due, at least in part, to government policies. We spoke with Andre because we wanted to get the perspective of workers at the grassroots level.

Andre explained how the company he works for coats pipeline components before they are laid in the ground. When pipeline orders slowed in the past, Andre's company had to temporarily cut hours for staff down to four days a week. Andre told us that one of the men who reported to him had trouble paying his mortgage during the four-day workweek period. In Andre's case, the pay reduction made it harder for him to make ends meet and support his daughter as she enters university.

While Andre's anecdotes were hard to hear, they represent a great example of how a project in one part of the country can affect workers in another part of the country.

In terms of the opportunity that Canada is missing out on, it's enormous. There's no other way to describe it.

The value of the stalled natural resource projects that we examined during the 2014-2019 window was roughly the same as the cost of building an NHL arena every single day for a year.

While politicians routinely tout all the jobs they're "creating" by subsidizing the construction of pro sports facilities, the projects we examined wouldn't have required construction subsidies.

In fact, the projects would have paid billions of dollars in taxes, money that could have been used to ease the tax burden or pay down government debt.

This is especially true in the case of pipelines. As Canada is lacking pipelines to the coast, almost all of Canada's oil that is exported is sold through pipelines to the United States. Our friends to the south in turn take advantage of Canada's predicament and pay us significantly less for each barrel of oil they purchase than what they pay other countries. Ultimately this means lower tax and royalty revenues for governments.

You can watch Tracey's, Andre's and other videos on our website and social media pages. [t](#)



FIBBER RETURNS

Fibber, the Canadian Taxpayers Federation’s “honesty in politics” mascot, was created in 2007 to protest then-Ontario premier Dalton McGuinty breaking his promise not to raise taxes without a referendum. Ever since, Fibber has popped up in

various CTF campaigns to highlight particularly egregious promise-breaking. Justin Trudeau’s failure to balance the federal budget as promised certainly qualifies, so Fibber has been out to remind Canadians about this huge broken promise. Unsurprisingly, politicians do not like

being seen with Fibber, but we ensure he is out and about enough that they need to constantly keep watch for him. You can see more Fibber pictures and video, and follow the CTF’s campaign for a balanced budget, at Taxpayer.com. [t](#)



Fibber welcomes the prime minister’s motorcade to an event



Fibber on Parliament Hill



A wistful Fibber wonders when the budget will ever be balanced



Fibber waves to Finance Minister Bill Morneau outside the Chateau Laurier in Ottawa



ALL THE ‘NEWS’ YOUR TAXES CAN BUY



by **Tom Korski**
*Blacklock's
Reporter*

In 1998, when I was a copy editor at CTV National News in Toronto, a script from an Ottawa reporter landed on my desk that referenced “Liberal Party values.” This was in a news story, cited as an incontrovertible fact, like the weather or the price of milk.

I called the reporter. “We don’t talk about Social Credit values or New Democrat values,” I said. “What are Liberal values?” “I think we all know what Liberal values are,” the reporter sighed.

“No, I don’t know,” I said. “Wage and price controls? Throwing Japanese-Canadians in prison camps? You mean like that?” Big sigh. The script

was rewritten.

The reporter was Jim Munson. He is today a Liberal senator; I am still a copy editor. Both of us are exactly where we belong.

The latest iteration of Liberal values is a \$595-million media bailout. This is a bad idea. The press cannot be free of government supervision and reliant on government aid at the same time. Why would publishers lobby for newsroom welfare and why would cabinet agree?

First, the carrots. The stick comes later.

Publishers A-listed by the government will be rewarded with 25% payroll rebates worth up to \$13,750 per newsroom employee. Payroll rebates are the same scheme used by Atlantic provinces to induce call centres to hire jobless fishermen. Media

deemed reliable by the government of Canada will also win 15% tax credits for subscribers.

Who qualifies and how? Under Bill C-97, cabinet appointees first invent criteria. These can be changed later by the government, quietly, behind closed doors. A second panel of cabinet appointees will meet in secret to decide which “qualifying journalism organizations” are worthy of taxpayers’ subsidies and list their names on a Canada Revenue Agency website. To recap: secret meetings, vague criteria, a list of cabinet-approved newsrooms and \$595 million in prizes for the winners.

The windfall is spectacular. Payroll rebates will reduce ongoing losses for the two largest newspaper chains — \$33.9 million last year at Postmedia



BLACKLOCK'S REPORTER is the only reporter-owned and -operated newsroom that covers the capital without politics or punditry. All original content. Subscriptions are \$314/year. For more information or to subscribe, visit Blacklocks.ca.

Network Inc., \$31.5 million at Torstar Corporation — but of course cannot fully compensate for mismanagement. Captains of the news industry have spent years plowing into icebergs. Postmedia since 2013 had net losses of \$962 million. “We’re asking the government to be an ally,” said ex-CEO Paul Godfrey. Indeed.

Bob Cox, publisher of the Winnipeg Free Press, said his paper stands to gain \$1 million a year in welfare. To put that in perspective, Cox in 2016 figured the Free Press made a million a year selling digital subscriptions, not including \$1,350 in yearly sales of pay-per-read articles at 27 cents a pop. “Our audiences really aren’t big enough,” said Cox. The bailout doubles Free Press electronic subscription revenues at zero cost.

Bailout enthusiasts do not articulate any plain, no-nonsense reason why this is necessary, aside from the obvious enjoyment of free millions. But there must be some reason. Start throwing fastballs and the answer quickly becomes clear.

Strike one: This is no sober response to an unexpected cataclysm crushing a whole industry, like the 2003 outbreak of mad cow disease that collapsed the cattle market. Lots of publishers make money. Blacklock’s Reporter does. Interestingly, no profitable publisher was invited to testify at bailout hearings on Parliament Hill.

Strike two: This is not vital aid for purveyors of a rare and precious commodity essential to national



Parliament itself cautions that members could be bought off with a pair of hockey tickets or a set of car mats.

security, like a Saskatchewan uranium mine. When Eaton’s closed in 1999, Canada did not suffer a shortage of Viyella shirts or mixing bowls. Other stores sell; other newsrooms report. I’ve found news every day for 38 years just by looking for it. If the Toronto Star or National Post closed tomorrow, somebody else would find a way to profitably compile relevant information in a pleasing format that readers enjoy.

Strike three: This is not a job-creation scheme. No one is opening a news factory on the outskirts of town. Neither publishers nor cabinet even bothers to invent job claims and where figures do appear, they are embarrassing. The Department of Canadian Heritage in an access to information memo calculated \$10 million in grants would create 60 to 80 jobs a year, an average \$143,000

apiece. At that rate it would be cheaper to give every unemployed reporter a new Buick and a gas barbecue.

Enough about carrots. Now we come to the stick. If there is no economic rationale and the marketplace has determined money-losing media have nothing worth buying, what is cabinet getting for half a billion dollars? News coverage. “As to independence of media and journalists, there are always concerns,” said Pascale St-Onge, president of the Fédération Nationale des Communications of Montréal. “The media, the publishers, they are always beholden to the advertisers. The money has to come from somewhere.”

“It is insulting to think that journalists can be bought off,” said Finance Minister Bill Morneau. “The Conservatives think Canadian journalists can be bought. We do not,” said Prime Minister Justin Trudeau. Yet the day is past when an MP, bank president, Olympic athlete, archbishop in my own Catholic church or any press baron can stand up in public and say with a straight face, “There is nothing to this. I have no further comment.”

Parliament itself cautions that members could be bought off with a pair of hockey tickets or a set of car mats. Under the Conflict of Interest Act, MPs must report all gifts of \$200 or more. Who thinks parliamentarians are for sale for a couple of hundred bucks? Parliament does. Who thinks publishers cannot be bought off with 595 million bucks? Nobody. The claim is ridiculous.

“Direct aid to people who report the news, that’s dangerous,” said John Miller, professor emeritus at Ryerson University and ex-foreign editor at the Toronto Star. “This constitutes one of the gravest threats to freedom of the press that I have seen in this country.” Miller made his remarks in May 29 testimony at the Senate finance committee. Oddly, the Star made no mention of his comments. “I’ve been in newsrooms where big advertisers exert enormous influence over news judgment. It happens even in the best

of places,” said Prof. Miller.

True. In 2010, a friend handed me in-house emails at a prominent Canadian daily in which a big advertiser dictated coverage of a contentious local zoning proposal. They literally put it in writing. One reporter emailed the advertiser to ask, “who I should talk to and help identify more closely what I want to focus on?” Six weeks of news stories and features later, “Thank you for your help ... with coverage of this,” emailed the reporter. “Ditto,” the advertiser replied.

As Prof. Miller told senators, “If I’m a reporter and I’m onto a story about some scandal in government and for various reasons it’s not there and I back off, and one of my readers finds out about that, how am I going to defend myself when the reader says, ‘Oh, that’s because you get money from government?’”

Not only is coverage now for sale, I argue it’s already been bought. In two years, we’ve run 36 stories on the media bailout including access to information memos and coverage of committee testimony, all proportionate to the scope of subsidies. That’s 36 stories. The Star ran seven. By comparison, the Star published 27 items on Bev Oda’s \$16 orange juice. To paraphrase a Soviet dictator, sixteen-dollar orange juice is a real tragedy; \$595,000,000 worth of juice is a statistic.

At Blacklock’s, we neither solicit nor accept government grants of any kind, out of self-respect and stubbornness and a simple understanding with our subscribers. They’ll decide if we are any good, not the Department of Finance. If readers conclude we are weak, partisan or incompetent, they’ll know we came by these natural-born shortcomings honestly. They were not bought and paid for with taxpayer dollars.

*Tom Korski is managing editor of Blacklock’s Reporter, an electronic daily covering bills, regulations, access to information and public accounts on Parliament Hill. Blacklock’s remains the only independent, reporter-owned newsroom in the Parliamentary Press Gallery. **t***

JOURNALISTS ON THE MEDIA BAILOUT

Despite heavy lobbying by some media companies for the \$595-million fund, many Canadian journalists are opposed to taking this kind of assistance from the government. Here are some comments from prominent Canadian journalists:

ANDREW COYNE, POSTMEDIA: **“It is quite clear now, if it was not already: this is the most serious threat to the independence of the press in this country in decades.”** – May 22, 2019

ANDREW COYNE, POSTMEDIA: **“Subsidizing speech the government likes is not materially different from suppressing speech it doesn’t like, and indeed may have much the same effect.”** – March 20, 2019

JEN GERSON, MACLEAN’S: **“If any of these associations or unions could be trusted to manage this ‘independent’ panel, they would be denouncing it already.”** – May 22, 2019

DON MARTIN, CTV: **“The optics of journalism associations and unions deciding who picks the recipients of government aid for journalism are getting very queasy.”** – May 22, 2019

RUSSELL WANGERSKY, THE TELEGRAM (ST. JOHN’S): **“At The Telegram, we make a product and then try to sell it, online and in print. With fair regularity, the CBC follows up on our content and does their own version ... But they don’t have to sell it. With the benefit of a huge federal subsidy, they simply give it away ... Think of it this way: you’re growing and selling apples. At the table next to you in the farmer’s market, the federal government is subsidizing someone else who gives apples away for free. How long can you keep selling apples?”** – May 25, 2019

BILL KELLY, GLOBAL NEWS: **“That manifests itself most obviously in the United States, where some entire networks are dedicated to promoting a particular political ideology and their news coverage and commentary is blatantly tilted to promote their political leanings. We’re not there yet in Canada and I hope that we never devolve to that status. But the fear is that doling out government money to revenue-starved media outlets could be a dangerous first step down that precipitous path.”** – May 30, 2019

CHANTAL HÉBERT, TORONTO STAR: **“Among the ranks of the political columnists, many fear it is a poison pill that will eventually do the news industry more harm than good.”** – Nov. 27, 2018

Q&A

WITH ADRIENNE BATRA



Adrienne Batra being scrummed by Winnipeg media while working for the CTF.

Adrienne Batra was born and raised in Saskatchewan. After graduation, she joined the Canadian Reserves where she obtained the rank of Lieutenant. After a stint working for the Saskatchewan Party at the provincial legislature, she was hired by the Canadian Taxpayers Federation in 2001 and promoted to Manitoba director in 2002.

While in Winnipeg, Batra became a media darling for the CTF, with rarely a day going by that she wasn't covered by the local media. She even began guest-hosting the Charles Adler show when he was on vacation.

Adrienne left the CTF in 2008 and moved to Toronto with her husband. There she became Rob Ford's election campaign communications director and was subsequently hired on when he was elected mayor of Toronto. She left after a year to become the Toronto Sun's comment page editor.

In 2013, Adrienne became the host of Sun News Network's Straight Talk show and continued to host the show until Sun News shut down in 2015. At that point, Adrienne rejoined the Toronto Sun as the paper's editor-in-chief.

Scott Hennig worked with Adrienne for three years when she was Manitoba director and was even interviewed by her a few times when she guest-hosted Adler's show. He caught up with her recently to pick her brain.

Scott Hennig: Life after the CTF is treating you pretty well. You've had a few interesting jobs since leaving us, but which one has been the most interesting?

ADRIENNE BATRA: The CTF was one of the best experiences and training grounds I have ever had. It really did help with preparing me for some of the other opportunities that have presented

themselves over the years. But without question, the most interesting job was when I was former mayor of Toronto Rob Ford's director of communications.

SH: You left Rob Ford's office before the media circus hit its peak, but in your experience, what was Rob Ford like?

AB: He was a decent man. Genuinely wanted to do well by the taxpayer. It was his core value and wasn't just some made-up notion to get votes. Yes, he was a flawed man, but we all are in a way.

SH: Rob was known for "ending the gravy train" but many of his accomplishments were overshadowed by his personal challenges. What's one thing that Rob did as mayor that he doesn't get enough credit for?

AB: There are a number of things the mayor's administration accomplished. In the first year Rob was mayor, taxes

were reduced, the TTC was deemed an essential service and garbage collection was privatized on one side of the city.

SH: Doug Ford was a city councillor during your time in Rob's office. So needless to say, you know him well. What's your assessment of the job he's doing as premier of Ontario?

AB: Doug is growing into the role. He's learning the difference between campaigning and governing. And it hasn't been easy. Don't forget, his own party didn't want him to run for leader in the first place. The daily scandals that were unfolding with his former chief of staff I believe were a wake-up call for the premier as well.

SH: If you could give Doug Ford one piece of advice for the second half of his term, what would it be?

AB: Work closely with caucus and his cabinet ministers should be front and centre for their files.

SH: When you were with the CTF as our Manitoba director, what was your favourite thing you did?

AB: That's an easy one, it was marching into the former mayor of Winnipeg Glen Murray's office with media in tow and a painted golden pig that (now CTF Executive Vice President) Melanie Harvie and I got from the dollar store. I presented him in person with that year's Teddy Award for wasting the most taxpayers' money by putting a million-dollar toilet in the middle of a bridge.

SH: Which issue was your whale that got away when you were with the CTF?

AB: The Manitoba government never got rid of bracket creep.

SH: You hosted your own show on Sun News Network for a while. While SNN ultimately shut down, do you see there being a future for a centre-right TV news station in Canada?

AB: Yes, there is an opportunity for it. As the editor-in-chief of one of Canada's only centre-right newspapers, there is a lot of noise on the left leaving a wide-open space for small-c conservative commentary. The same is true for TV.

SH: Now as editor-in-chief of the Toronto Sun, where do you see the future of print journalism? Will every newspaper be just

a website sometime in the next decade or will daily delivery of print newspapers still be a thing in 2030?

AB: Sun readers are very loyal, and that has helped us as the industry grapples with the digital changes. That said, we have taken a big hit in the last decade. Print journalism has certainly been on the decline, but I don't believe it will ever truly be gone. There are still those that want to physically hold something in their hand and not read it on a screen. We all need to do a better job of reaching a younger audience as well. At the Toronto Sun we are trying to have a balance of print and digital where the digital side is certainly growing. Our online readership increases every week. I am still optimistic that print will be around in 2030.

SH: There's concern out there from journalists, including some Postmedia columnists, that the \$595-million media bailout fund will make publishers reliant on and beholden to government. Do you share these concerns?

AB: I do share these concerns. But what I do know is that it will not change our editorial position. We will continue to relentlessly hold government accountable. Further, I know the subsidy will not cause any of my colleagues to ease up on their criticism of government, regardless of political stripe.

SH: If you were giving advice to Andrew Scheer on the media bailout, what would you tell him to do if elected prime minister?

AB: Phase it out and work on a digital tax credit instead. **T**

SH: What role, if any, should the government play with news media companies?

AB: Other than answering our questions, or evading them as most of them do, none.



Adrienne Batra



Adrienne Batra conferring with Toronto Mayor Rob Ford on Sept 21, 2011 at Toronto city hall.

Cross-country tour shows pipeline deficit costing taxpayers billions



by Franco Terrazzano
Alberta Director

The Canadian Taxpayers Federation this spring conducted a cross-country pipeline tour to deliver an important message from coast to coast: workers in the energy industry are harmed when governments block pipelines, but so are the rest of Canadian taxpayers. Pipelines could help us sell our resources around the world for full value, generating more money to pay for hospitals and teachers and to lower taxes.

Right now, virtually all the oil we export is to the United States. This is largely because we do not have pipeline capacity to the coast that would allow oil to be sold to China and other Asian markets. Because of this monopoly over Canadian oil, U.S. buyers don't pay world-prices. This discounted rate has fluctuated over time, but hit a peak in November 2018 when West Texas Intermediate (the standard world price for oil) was selling for US\$56.96 per barrel while Western Canadian Select (the price Canadian oil sells for) was selling for US\$11.03 per barrel. This

caused a gap of \$45.93 for every barrel of Canadian oil sold.

We calculated how much the pipeline deficit is costing taxpayers — more than \$6 billion since 2013 — and travelled to every province with a big display of oil barrels and a clock showing this cost going up in real time. We took our tour to an elementary school in downtown Toronto, a hospital in Québec and a University in New Brunswick. Why? Because we wanted to show the people who oppose pipelines that it's those very same pipelines that could help lower hospital wait times, reduce class sizes

and cut taxes so that we all have more money to spend in the community.

We had a lot of fun taking our display across the country and most people welcomed the message, but we also had to battle it out against opposition in eastern Canada and on the west coast. We launched the tour right in front of Parliament Hill in Ottawa and it just so happened that our first event coincided with a protest from students fretting about climate change. We also battled it out with some members of the media in Atlantic Canada and brought our pipeline clock and big oil barrels to the front steps of the B.C. legislature to show Premier John Horgan how he's harming all Canadians.

We took pride in taking this important message to some hostile areas, but we also loved all the support we received. We had New Brunswick Premier Blaine Higgs, both the Ontario and Saskatchewan energy ministers, Manitoba's finance minister, Red Deer MP Earl Dreeshen and MLA Jason Stephan along with councillors in Lloydminster and Red Deer speak in support of pipelines at our events.

We set up our pipeline display at the largest oil and gas rally in Canadian history, where thousands of Canadians gathered in Calgary to support our energy industry. We met with supporters, hosted a barbecue for pipelines, showcased how job creators are able to hire more workers when pipelines get built and answered questions from energy sector workers about how they could advocate for their industry and push politicians to get pipelines built.

After nearly a month on the road, stopping in 20 different cities in every single province, flipping some burgers and facing the media with a bunch of students in the background clamouring about climate change, we think it's safe to say that our cross-country pipeline tour was a success. **t**

Pipeline Event Red Deer: The CTF's pipeline tour's final stop was in Red Deer, Alberta. Alberta Director Franco Terrazzano addressed the crowd on the importance of the energy industry for all Canadians and how taxpayers can push politicians to get pipelines built.



Alberta Director Franco Terrazzano (left) and Federal Director Aaron Wudrick (right) kicking off the cross-country pipeline tour in front of Parliament Hill in Ottawa.

CTF Québec Director Renaud Brossard explaining why pipelines matter in Montréal.



CTF's B.C. Director Kris Sims (right) and Alberta Director Franco Terrazzano (left) brought the pipeline display to a gas station in Kamloops.



Pipeline Tour stopped in Medicine Hat, Alberta, where the CTF teamed up with the Medicine Hat Chamber of Commerce and Iron Horse Energy Services to host a press conference on the importance of pipelines.



The CTF took the cross-country tour to the B.C. legislature to show Premier Horgan how his opposition to pipelines is harming Canadians.

New Brunswick's premier Blaine Higgs (centre) spoke at the CTF's pipeline stop in Fredericton about the importance of pipelines for New Brunswick and Canada's economy.

DEBATE:

WITH DR. GEORGE BRAGUES AND DR. IAN LEE



Dr. George Bragues is the assistant vice-provost and program head of business at the University of Guelph-Humber in Toronto. He is the author of *Money, Markets, and Democracy: Politically Skewed Markets and How to Fix Them* (Palgrave Macmillan, 2017).



Dr. Ian Lee is a tenured associate professor in the Sprott School of Business at Carleton University where he teaches strategic management and international business. He is a regular op-ed contributor and commentator in the Canadian media on fiscal policy issues.

Should Canada return to using The Gold Standard?



Most of the work the Canadian Taxpayers Federation does is on the side of fiscal policy: how much should governments spend and tax? But there's another whole side to economics: monetary policy. It's often less sexy, but just as important when it comes to Canada's government and the economy as a whole.

Occasionally, CTF supporters ask our opinion on such matters as the gold standard. That was the practice of fixing a national currency to the price of gold and making all money redeemable in gold. Canada was on a gold standard until 1914 when the First World War began. Canada returned to the gold standard in 1926, but left it again, effectively in 1929 and officially in 1931. Canadian currency was no longer redeemable for gold as of 1933.

Ninety years later, some economists still believe all countries should return to the gold standard. We asked two top Canadian academics to debate this issue.

YES: Dr. George Bragues, University of Guelph-Humber in Toronto

The gold standard is a historically proven framework of regulating the money supply that Canada should adopt.

How does a gold standard work? Essentially, money is valued in terms of a specified amount of gold. For example, an ounce of gold could be defined to equal \$2,000. To ensure this rate is maintained, there exists a right to convert dollars into the corresponding quantity of gold. This right of convertibility is meant to keep the suppliers of money, namely the banks, from issuing more currency than permitted by the level of gold held on reserve. No bank wants to be caught without enough gold to meet a demand for conversion.

The money supply around the world is at present ultimately controlled by central banks. They can steer the quantity of money in whatever direction they deem fit, mostly by affecting the interest rate at which funds are borrowed and lent. Since this power is liable to abuse by incumbent politicians desiring re-election, central bank officials are appointed and typically hold their positions for long terms.

The governor of the Bank of Canada is appointed for seven years, almost twice as long as the typical four-year term for an elected prime minister. Yet, in setting interest rates, the governor arguably wields more influence over the economy than the prime minister does through fiscal policy. A gold standard would be more democratic by removing the need to grant discretionary authority over money to unelected officials.

The most recognized virtue of the gold standard is its capacity to limit inflation. During the heyday of the gold standard between 1871 and 1913, retail prices actually fell in Britain and the U.S. Nor did this price trend negatively impact economic growth. During this period, real per capita GDP rose 112% in Britain and 260% in the U.S. The gold standard is often dismissed on the argument that a modest level of inflation is necessary to stimulate the economy. But the historical record demonstrates otherwise.

The greatest benefit of the gold standard lies in the constraints imposed

upon government spending and taxes. In order to maximize votes, politicians have incentives to offer government services to the public without immediately raising taxes. These end up being assessed later to future generations. What makes this tactic more enticing for politicians is the option of printing money to finance budget deficits, which the current monetary system provides.

No wonder that, among developed countries, the level of public debt relative to GDP has trended upward since the early 1970s. It is no coincidence either that this trend started when the last vestiges of a gold standard disappeared with the end of the Bretton Woods system. Canada has witnessed a similar pattern with its public debt. The gold standard would reverse this.

Compared to the status quo, the gold standard has three advantages: it is more democratic, keeps prices low, and constrains the tax-and-spend ways of politicians. For these reasons, Canada should ground its currency on gold.

NO: Dr. Ian Lee, Sprott School of Business at Carleton University in Ottawa

The enduring support by some pundits for a return to the gold standard is one of the modern mysteries of life.

While gold has been used as a currency since ancient times, its use as a monetary standard to support the currency of a country has a very short history.

The gold standard guarantees that money can be converted into a fixed amount of gold. Such a system clearly advantages those countries with large gold supplies. Its monetary advantage was that it removed the issuance of currency from the hands of politicians and central bankers.

This was captured in president Herbert Hoover's famous advice to incoming president Franklin Roosevelt that "we have gold because we cannot trust governments."

The gold standard was first adopted by the British in 1821, followed by Germany in 1871 and most other countries by 1900.

The U.K. was the first country to drop the gold standard in 1931 during the

Depression, followed by the U.S. in 1933. However, the origins of the death of the gold standard lay in the First World War, which led to large increases in sovereign indebtedness. Moreover, the gold supply could not keep up with the growth of the global economy. Countries started to use U.K. pound sterling and the U.S. dollar as the reserve currencies to settle accounts of payment for trade between countries.

The death of the gold standard was sealed by the establishment of the post-war order — the Bretton Woods Agreement — that included the creation of the International Monetary Fund and the World Bank.

The final act was the decision in 1971 by president Richard Nixon to formally decouple any relationship between gold and the dollar.

Why do most scholars and practitioners consider a fiat currency to be far superior to the gold standard?

First and foremost, there is not enough gold in the world to backstop all the currencies of the world. Indeed, there is insufficient gold to backstop only the U.S. dollar.

A more fundamental reason is that the alleged discipline of the gold standard is a smokescreen. Past governments have shown they can go off the gold standard when they experience fiscal and monetary problems just as easily as they can engage in unsustainable borrowings.

The most important reason is that production of gold is not related to the productive capacity of the economy, the real source of economic growth. A fiat floating currency and a monetary policy that focuses on core inflation is vastly more effective in ensuring an appropriate money supply that will contribute to sustainable growth without excessive inflation or deflation.

It should be remembered that Nobel laureate Milton Friedman argued that the gold standard was a fundamental factor in causing the Depression.

The inflexibility of the gold standard, the fundamental disconnect between gold production and the productive capacity of the economy and policies that promote economic growth ensure that we will not return to the gold standard in any mature developed economy. ■

A look back at the 2018-19 school year



by **Kris Rondolo**
Executive Director of Generation Screwed

It's never a dull moment with the young people of Generation Screwed and did we ever have a fantastic school year.

The students this year were as enthusiastic as ever when it came to fighting back against big governments, their wasteful ways and their shameless tax grabs.

One of our significant fights this year was the carbon tax, with the government in Ottawa rolling out a vast campaign trying to convince people that the only way to save the earth from global warming was for each of us to give government more of our hard-earned cash. GS students were not going to fall for that because at the end of the day this is just another tax grab from a government that has a spending problem.

GS wanted to fight back. We designed shirts and stickers to hand out during campus clubs' week and we even made it to an anti-carbon tax rally in Ottawa where we proudly wore "scrap the tax" shirts for the politicians to see.

Our GS team in Western Ontario also participated in a local multi-club debate on the ever-debatable carbon tax scheme in Ontario. Our "scrap the tax" team won that night, with the majority of the students voting for them.

In Calgary, our GS team was invited to share their concerns over the growing government debt in a publication for millennials in Calgary. U of Calgary GS campus co-ordinator Lucus Riccioni raised his concerns on the ever-increasing public debt and the burden it will leave on his generation and future generations.

Our Lethbridge team, along with CTF Alberta Director Franco Terrazzano, held the inaugural #SolutionsExist seminar last March. These seminars are an excellent way for students to



GS Class of 2019 at the annual retreat in Québec.



The GS Team at a Canada's Energy Citizens event in Toronto.

come together and discuss policy options and alternatives to bigger government spending. We eventually were able to roll out our new seminar to the University of British Columbia, University of Alberta, Carleton



Lucus Riccioni, GS regional coordinator for the Prairies, pictured in the article 'Stressed Out: A look at external stress & the potential impact on youth.'

University and the University of Calgary with many more stops in the coming school year.

The GS team also worked with several community partners to raise awareness of such issues as housing prices in Vancouver and our beleaguered energy industry. We worked with Canada's Energy Citizens to roll out seven "rally for Canadian energy" pub nights to encourage a healthy dialogue with our fellow students on the impact of our oil and gas industry to our economy.

Another big break for the GS team this year was in recruiting students in the Greater Toronto Area. We were able to add York University, Ryerson and the University of Toronto to our list of GS campuses.



Antoine Atallah, our GS regional co-ordinator for Francophone Québec, interviewing CTF Québec Director Renaud Brossard on Hydro-Québec overpayments.

This year also marked our first foray into producing video. GS has launched a string of social media campaigns with three videos educating young Canadians on the real legacy of big debt, our hydro overpayments campaign in Québec with CTF Director Renaud Brossard and newly minted Québec GS Regional Co-ordinator Antoine Atallah.

With new videos and short clips coming, we'll also be revitalizing our YouTube page in the coming months. This way our videos and quick updates will be easy to access and share on your social media.

With so many campaigns, rallies and events under our belt, the GS Class of 2020 is pumped to begin their school year this fall. With new recruits and potential campaigns on the horizon, it's crucial that our newly recruited GS co-ordinators be trained in our annual retreat to get ready and organized for an even busier year with campaigns such as our "my tax burden" campaign. For more information on this campaign, please keep an eye on our social media pages and our website for news and updates.

Follow us on Facebook at @GenerationScrewed and Instagram @GenScrewedCDN to see what our GS Class of 2020 will be up to.

THROUGH THE YEARS: A HANDFUL BECOMES NATIONWIDE



When GS started back in 2013, we were on only a handful of campuses, mostly in the West and in Eastern Ontario.

Each year, our team set goals and target-regions that GS would need to be in to be considered a nationwide movement.

When we were able to establish clubs in Vancouver, Calgary, Toronto and Ottawa, we knew that we were on our way in building a bigger movement.

Through the years, GS has grown from a handful of campuses to more than 30 universities and colleges with more than 35 campus and regional co-ordinators, making GS the largest non-partisan, small-government student movement in Canada.

Our network relies on the hard work and dedication of our young volunteers. There would not be a Generation Screwed movement without them.

To keep our flame burning bright we need young Canadians from coast to coast to stand up to big government year after year.

If you know a young student who is passionate about limiting big government and isn't afraid to fight for

their future, send them our way.


With the generous support of CTF donors, our network offers young Canadians opportunities like no other student club on campus.

We are able to prepare our co-ordinators for their work in advocating for their generation by giving them training and materials to become



Our first batch of GS coordinators at the very first GS training session, listening to Ontario MPP Randy Hillier in August 2013.

better student advocates. Our co-ordinators are at the forefront of various student-led campaigns throughout the year.

Know someone who's interested? You can find our recent volunteer posts on our GS Facebook page at www.facebook.com/genScrewed. 

Baron von FenderBender takes on ICBC

Baron von FenderBender on the lawn of the Legislature in Victoria.

Credit: Tim Townley Photography, Victoria



by Kris Sims
BC Director

What weighs 200 pounds, is bigger than King Kong and scares the daylight out of politicians? Meet the latest addition to the Canadian Taxpayers Federation family: Baron von FenderBender.

The Baron represents all that is wrong with the bloated, monstrous, nearly insolvent monopoly that is the Insurance Bureau of British Columbia.

Sporting an ICBC powder-blue suit jacket and branded top hat, 1970s-era orange pants and a monocle, the Baron stands 30 feet tall. He's smoking a cigar after lighting it with the hard-earned cash of B.C. drivers.

The CTF inflated the Baron on the lawn of the legislature to send a clear message to Premier John Horgan and all politicians in Victoria: We need to STOP the ICBC monopoly.

B.C. drivers pay the highest auto insurance rates in all of Canada, forking out an average of more than \$1,700 per year, and we have no chance to shop around for basic coverage.

You see, our cousins in Alberta get to compare prices and save money when they insure their cars. They even get to group their insurance to cover their campers, motorbikes, boats and homes.

A recent apples-to-apples comparison between drivers in B.C. and drivers in

Alberta showed that B.C. drivers are paying hundreds of dollars more per year for the same insurance.

For example: a 45-year-old couple in Langley driving a 2012 Honda Accord to work, with a clean driving record and a learner in the family, is paying \$837 more per year than an identical family would in Edmonton. A 24-year-old man driving his 2010 Ford F-150 in Prince George is paying \$263 more than his twin driver in Fort McMurray. A 50-year-old Victoria man driving his 2010 Class C motorhome pays \$771 more per year than he would if he lived in Alberta.

It takes a full-sized truck to drive Baron von FenderBender around and a team of five to muscle the balloon up as he's inflating. We blow him up using a two-horsepower blower and we weigh him down with 50-pound jerry cans filled with water so he doesn't blow away. People enjoy posing with him for pictures and sharing their frustrations with ICBC.

By touring the province and inflating the Baron in such places as Victoria, Prince George, Kamloops and the Comox Valley, the CTF is keeping the pressure on the politicians to end the ICBC monopoly and open it up for competition.

The opposition B.C. Liberals say they agree with opening ICBC up to competition and passed a resolution agreeing with the CTF at their most recent policy convention.

PRESENTING OUR DEMANDS

The CTF travelled to Quesnel this summer to tell the B.C. government what we want to see and, more importantly, what we don't want to see in the provincial budget for 2020.

Every year members of the legislative assembly travel around the province to find out what various groups want to see included in the budget. It is often a lineup of people asking for taxpayers' money. The CTF shows up at these consultations and says "stop." We ask the politicians to think long and hard before rubber-stamping new spending and implore them to try diligently to cut their spending and to lower our taxes.

We presented our Taxpayer Top Five to members of the select standing committee on finance and government:



1. Balance the budget



2. Scrap the carbon tax



3. Cancel the Employer Health Tax



4. Open ICBC to competition



5. Approve the expansion of the Trans Mountain Pipeline

GHASTLY GAS TAXES



B.C. Director Kris Sims at a gas station in Vancouver during the CTF's Gas Tax Honesty Day

The CTF held its annual Gas Tax Honesty Day event and, if the wide news coverage is any indicator, everyday people feel a severe strain trying to afford their commute to work.

B.C. drivers pay the highest gasoline prices in North America and taxes are a huge reason why. When the price of gasoline is \$1.69 per litre in Metro Vancouver, the taxes from three levels of government make up 54 cents of that cost.

Drivers in Metro Vancouver and in Victoria's capital region pay six different taxes to three levels of government, while the rest of B.C. forks out five different gasoline taxes.

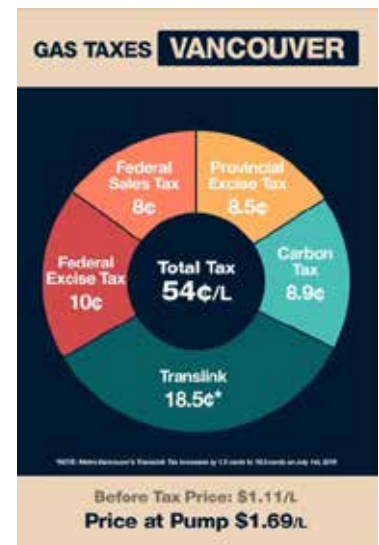
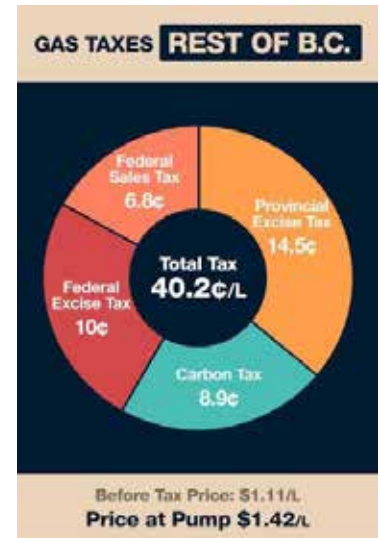
The Canadian Taxpayers Federation wants the B.C. government to cancel the carbon tax and reduce the Metro Vancouver TransLink tax to 10 cents per litre. The CTF also wants the federal government to axe the federal excise tax and eliminate the unfair tax-on-tax. These changes would save Metro Vancouver

drivers about 26 cents per litre, \$20 in savings when filling up a family minivan.

Drivers who suspect that they are being ripped off by politicians at the gas pumps need only to look south at Washington state for proof. Drivers in Seattle were paying about Cdn\$1.18 per litre for their gasoline, while drivers in Metro Vancouver were paying about Cdn\$1.68 per litre. That's 50 cents difference between the two comparable cities and it means Vancouver drivers pay \$35 more to fill up a minivan or sedan.

Politicians such as Premier John Horgan claim they care about these record-breaking gasoline prices; meanwhile they block pipelines and jack up taxes. That is dishonest. Making fuel unaffordable is actually their goal because they want us to "change our behaviour."

Changing behaviour means many families won't take that road trip up to Prince George or over to Vancouver Island to visit with their loved ones this summer because they can't afford the gas. **T**



Five reasons cutting business tax is a huge **WIN** for taxpayers



by Franco Terrazzano
Alberta Director

Taxpayers are celebrating a huge victory in Alberta, as the provincial government has announced it's cutting the business tax rate from 12 to 8%. Opposition politicians and lovers of big government howl that it's "a giveaway to big corporations and the wealthiest 1%." But don't buy the bull. Here are five reasons why the business tax cut is the right move.

1 Higher taxes don't mean more government revenue

In 2015, the NDP government increased the business tax from 10 to 12%, but that didn't lead to higher revenue. In 2014, a 10% business tax generated \$5.8 billion. The 12% business tax only generated \$4.9 billion in 2018. Economist Bev Dahlby suggests greater economic activity from the new government's tax cut will increase total provincial revenue by \$1.2 billion by 2023.

The province does need to patch its leaking fiscal ship, but not by raising taxes. The government needs to roll back more than a decade of overspending by the Progressive Conservatives and the New Democrats to balance the budget and begin paying down the debt.



CTF VP, Communications, Todd MacKay, speaking in support of business tax cuts as the Alberta government announces it will lower the rate from 12 to 8%.

2 Tax cuts help workers

Businesses don't pay taxes, people do. When tax rates rise, businesses have less money to invest in more jobs, new technologies and higher wages. Research from the University of Calgary suggests that the New Democrats' 20% business tax increase cost the average two-income household \$830 per year in lost earnings. Economist Jack Mintz estimates the business tax cut from 12 to 8% could lead to 55,000 new jobs. This isn't just how it works on an academic's blackboard; it's how it works in real life.

"It's huge. It gives me more money to spend in the community, I can upgrade my equipment, I can afford to put more people to work," said Paul Klaassen, president and CEO of PWM Steel Services Ltd. in Lloydminster, when asked how a tax cut would impact his business. "And when you employ more people it puts more money in the community, it's such a ripple effect."

3 Tax cuts help all businesses

"There's absolutely no question that lowering the corporate rate will help big businesses," said Randall McRae, a partner with McRally LLP, a Calgary accounting firm that focuses on small and medium-sized business tax matters. "But it will also help smaller businesses and entrepreneurs. If there are more successful big businesses, they will create the opportunities for smaller businesses and those seeking jobs. We all win when the economy is doing well."

The business tax cut will also encourage new companies to set up shop in Alberta. This tax cut will bring the combined federal-provincial rate to 23%. David Staples of the Edmonton Journal makes a stark comparison. "In the so-called socialist state of Sweden, it [the corporate tax rate] is dropping to 20%."

4 Beats the previous economic strategy

In reverse-Robin Hood fashion, the previous New Democratic government increased taxes on all Albertans, then lined the pockets of select businesses. The NDP increased taxes on income, businesses, home heating, gasoline and diesel, train fuel, tobacco and liquor, then announced billions of dollars' worth of corporate welfare.



That strategy didn't work out well. Our economy still isn't firing on all cylinders and all the business handouts helped propel the provincial debt to more than \$60 billion. Alberta taxpayers have also been burned in the past by similar corporate welfare schemes. Between 1973 and 1993, the Lougheed-Getty "economic diversification" projects cost taxpayers more than \$2 billion.

5 Tax competition benefits all Canadians

If there's one thing that beats competition in the market, it's tax competition between governments. Alberta's 8% rate will be the lowest tax rate on job creators in Canada and, fingers crossed, could encourage other provinces to lower their rates in order to attract industry.

"Talk of separation could subside. Instead, the demands will be coming from outside the province to join Alberta and get other provincial and federal policies and tax rates in line with Alberta," stated Terence Corcoran, writing for the Financial Post. **t**

ALBERTANS ARE HAPPY TO KISS THE CARBON TAX GOODBYE



Isn't it great to not be paying more to heat our homes, buy our groceries and fuel our cars?

Taxpayers celebrated a huge victory on May 30 as the provincial carbon tax was finally put to bed, saving Albertans billions of dollars. The Canadian Taxpayers Federation led the opposition against the carbon tax, having fought the tax since it was first announced in 2015.

Although we should all be celebrating this win, there are two important points to be considered.

First, taxpayers need greater protection from plundering politicians. New Democrats bypassed the pesky process of earning public buy-in before imposing their carbon tax. The tax wasn't mentioned in the party's 2015 election platform and was never consented to in a vote. Alberta's case study is a stark contrast to the process in Washington state, where voters were able to reject the carbon tax in two consecutive referendums.



per litre for gasoline.

Adding insult to injury, Prime Minister Justin Trudeau is letting other provinces pay a less punitive tax. By 2022, the federal carbon tax is expected to be twice as high in Alberta as it is in Quebec.

The Nova Scotia government even brags about its sweetheart cap-and-trade deal. "The program will add about one cent per litre to the price of gas, compared with about 11 cents per litre by 2022 under the federal approach," states Nova Scotia's carbon tax backgrounder.

Fortunately, Premier Jason Kenney has announced that Alberta will be fighting Trudeau's unfair tax in the courts. The CTF has committed to doing everything in our power to join the legal fight and push back against Ottawa.

We won the battle in Alberta, now it's time to go win the carbon tax war. **t**

ALBERTA BUSINESS TAX CUT CREATES OPPORTUNITY FOR SASKATCHEWAN



by Todd MacKay
Prairie Director

Good friends push each other along and Alberta's business tax cut is giving Saskatchewan a friendly shove.

Alberta lowered its general business income tax rate from 12 to 11% this summer. Alberta Finance Minister Travis Toews is planning to keep steadily cutting the rate down to 8% by 2022. It's going to make Alberta one of the most business-friendly jurisdictions in North America.

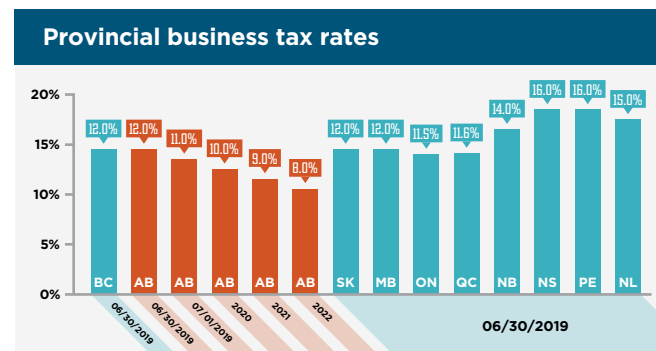
That creates both a problem and an opportunity for Saskatchewan.

First, there's the obvious

problem: Saskatchewan's 12% business tax rate won't be competitive. If a business can save four points on business taxes, it'll be tempting to pick Calgary over Saskatoon. Alberta's gain could be a serious loss for Saskatchewan.

Saskatchewan could have been ahead of this curve. The province's 2017-18 budget promised to reduce business taxes by a point to soften the blow delivered by the PST increase and expansion that raised taxes by about \$1 billion that year. Premier Scott Moe took the PST off most insurance premiums, but unfortunately paused the plan to lower business taxes.

Within weeks of taking office, Alberta Premier Jason



Kenney put his province ahead in the race to attract business with competitive tax rates. But it's not all bad news for Saskatchewan. The province has experience with exactly this problem. And it's worked out well before.

In 2006, then-NDP finance minister Andrew Thomson announced business taxes would fall from 17% to 12%.

"These business tax cuts will help build a better future, by making our economy more competitive, and by encouraging business to invest more and create new jobs right here at home," said Thomson in his budget speech.

Thomson was right. When Brad Wall's Saskatchewan Party formed government, it changed a lot of provincial policies, but it kept the plan to shrink business taxes. And Saskatchewan experienced a historic boom.

Here's the remarkable thing: the government actually collected more money from businesses as rates went down.

In 2005-06, before rates started falling and the

business tax rate was 17%, the Saskatchewan government collected \$394 million in corporate taxes. In 2008-09, when the province had cut the rates to 12%, it collected \$592 million. Two years later, business tax revenues hit \$1.155 billion.

Now, business tax rates weren't the only factor at play during that period. Oil prices soared. So did potash prices. But the boom wasn't just luck.

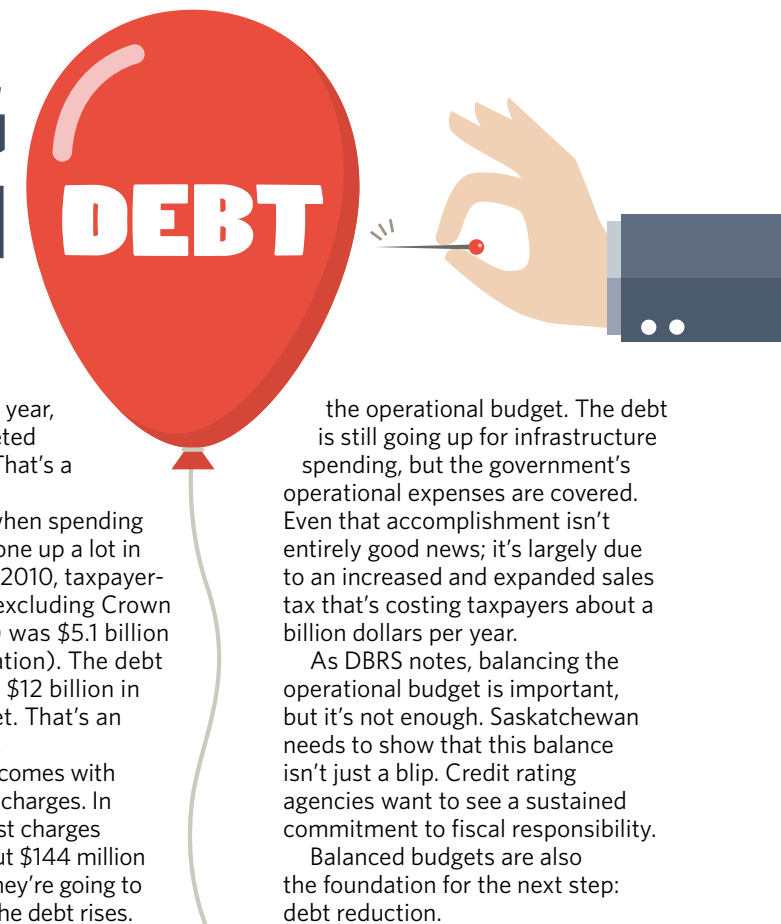
Saskatchewan's GDP grew by about 60% from 2006 to 2011. The province's business tax revenues went up by nearly 168% during that time (adjusted for inflation). As a share of GDP, Saskatchewan's business tax revenues went from 0.98% to 1.63%.

That's where the opportunity lies for Saskatchewan. Alberta's business tax cuts put pressure on Saskatchewan to do what it promised to do in 2017 and to do what it did to help spark a boom in 2006. Alberta is setting the stage for growth with business tax relief.

Saskatchewan can do the same. **t**



NEXT STEP: START PAYING DOWN DEBT



There are two important steps to cleaning up a financial mess: 1) make a plan; 2) stick to the plan.

Saskatchewan Premier Scott Moe is making progress and people are noticing.

"Saskatchewan's commitment to prudent fiscal policy, along with the pace of fiscal consolidation, stands out among provinces," stated credit rating agency DBRS when it reaffirmed the province's AA credit rating.

But there are challenges ahead for Saskatchewan to earn a top rating.

"A positive rating action is unlikely and would require greater economic



Spending restraint is the key. The current budget increased spending by more than \$280 million.

diversification, balanced budgets on a sustained basis and a significant reduction in the provincial debt burden," stated DBRS.

Moe inherited a bit of a mess.

The highest profile reason for recent deficits came with the crash in natural resource revenues. The more insidious reason is increased spending.

Saskatchewan budgeted for \$11.9 billion in spending in 2010 (adjusted

for inflation). This year, spending is budgeted to hit \$15 billion. That's a 26% increase.

Debt goes up when spending goes up and it's gone up a lot in Saskatchewan. In 2010, taxpayer-supported debt (excluding Crown corporation debt) was \$5.1 billion (adjusted for inflation). The debt is projected to hit \$12 billion in the current budget. That's an increase of 138%.

Increased debt comes with increased interest charges. In fact, annual interest charges have gone up about \$144 million since 2010. And they're going to keep going up as the debt rises.

Moe took the first step toward cleaning up the mess by balancing

the operational budget. The debt is still going up for infrastructure spending, but the government's operational expenses are covered. Even that accomplishment isn't entirely good news; it's largely due to an increased and expanded sales tax that's costing taxpayers about a billion dollars per year.

As DBRS notes, balancing the operational budget is important, but it's not enough. Saskatchewan needs to show that this balance isn't just a blip. Credit rating agencies want to see a sustained commitment to fiscal responsibility.

Balanced budgets are also the foundation for the next step: debt reduction.

When Moe campaigned to become premier, he signed the Canadian Taxpayers Federation's pledge outlining a plan to fix Saskatchewan's finances. Balancing the operational budget was the first step. Here's what it said next: "I will implement a plan committed to reducing the province's taxpayer-supported debt by 2022."

That's going to be a big step. On its current trajectory, the province's taxpayer-supported debt hitting \$14.1 billion in 2022.

Spending restraint is the key. The current budget increased spending by more than \$280 million. That's modest compared to past spending spikes, but it's tough to truly balance the budget and pay down debt without trimming spending.

As DBRS points out, debt reduction is an important step toward getting Saskatchewan's finances back on track and Moe promised to deliver. **t**



Premier Scott Moe signing the CTF's Taxpayer Protection Pledge in November 2017.

Manitoba's new carbon tax attack



by Todd MacKay
Prairie Director

Prime Minister Justin Trudeau's carbon tax is facing a lot of challenges and Manitoba's legal case is opening up a whole new front. Saskatchewan narrowly lost its court challenge, but a strong dissenting opinion is fueling hope for a different result as the fight is now going to the Supreme Court. The Canadian Taxpayers Federation intervened in both Ontario and Saskatchewan and made arguments opposing the carbon tax.



New Brunswick hit pause on its legal challenge but the newly elected Alberta premier, Jason Kenney, is launching a court challenge. However, it may well be Manitoba's two-pronged attack that's keeping federal Environment Minister Catherine McKenna up at night. The first prong of Manitoba's challenge is pretty standard. The province will argue that Ottawa doesn't have the constitutional right to impose a carbon tax on a province. It's an argument that nearly succeeded in Saskatchewan and may well win in the future. The second prong of Manitoba's challenge is entirely novel: Ottawa isn't following its own law.

Trudeau is demanding that every province impose a carbon tax. For those who refuse, he's imposing the federal carbon tax. That means the federal carbon tax is hitting Manitoba, New Brunswick, Ontario and Saskatchewan. (Alberta recently scrapped its carbon tax and McKenna plans to impose the federal tax there next year.)

The federal website puts the demands in black and white. "All elements of the backstop (federal carbon tax) will apply in a jurisdiction that does not have a carbon pricing system in place," states Ottawa's online backgrounder. "The backstop will also supplement (or 'top up') systems that do not fully meet the benchmark."

Helpfully, Ottawa even nails down specific numbers. For example, to meet the federal standard, carbon taxes need to hit 4.65 cents per litre



Ottawa's arbitrary application of the carbon tax will be core to Manitoba's court challenge. A law must be applied evenly.

on gasoline now and rise to 11.63 cents per litre by 2022. That's the line Ottawa says it'll use to decide which provinces are offside.

British Columbia's carbon tax is 8.89 cents per litre of gasoline and the NDP government there is all too happy to keep raising it, so that province passes Ottawa's test easily. Quebec's cap-and-trade carbon tax is harder to compare, but it's about 4.92 cents per litre so it's squeaking by for now (although there's no clear answer as to whether it will go up in the future and what happens if it doesn't).

What about NOVA SCOTIA?

"The (Nova Scotia) program will add about 1 cent per litre to the price of gas, compared with about 11 cents per litre by 2022 under the federal approach," states Nova Scotia's website.

Well, Nova Scotia's plan shouldn't be hard for federal bureaucrats to evaluate. One cent per litre is less than the 4.65 cents per litre Ottawa requires now. And Nova Scotia obviously isn't intending to increase its carbon tax as per federal requirements. Trudeau should be hitting Nova Scotia with the federal top-up, right?

Inexplicably, Trudeau signed off on Nova Scotia's plan and it's not paying the federal carbon tax.

Let's try another example.

Newfoundland and Labrador imposed a carbon tax of 4.42 cents per litre, but it also cut its provincial gas tax 4 cents per litre. That means the effective carbon tax on the Rock is 0.42 cents per litre. It's a pretty blatant bait-and-switch, but it worked on the feds. Even though the carbon tax isn't really costing

Newfoundlanders much, Ottawa isn't imposing the federal carbon tax there.

At this point, it would be easy to assume there's an East versus West bias at play, but New Brunswick shows Ottawa's arbitrary application of the carbon tax isn't entirely regional.

New Brunswick proposed its own bait-and-switch. It proposed a carbon tax of 2.3 cents per litre to fund "green" initiatives. At the same time, it would cut provincial fuel taxes by 2.3 cents per litre.

While Ottawa turned a blind eye to the other Atlantic provinces, Trudeau hit New Brunswick with the full brunt of the carbon tax.

All of which brings us back to Manitoba.

In 2018, Premier Brian Pallister proposed a carbon tax of 5.32 cents per litre. The only catch was that he

was opposed to continually increasing the tax as per Ottawa's requirements.

In a face-to-face meeting, Trudeau refused Pallister's proposal and threatened to impose the federal backstop. At that point, Pallister concluded cooperation with Ottawa's carbon tax plan could not work and he began opposing it.

Ottawa's arbitrary application of the carbon tax will be core to Manitoba's court challenge. A law must be applied evenly. If Manitoba is punished for refusing to meet Ottawa's standards, provinces such as Nova Scotia should face the same punishment. It's hard to imagine any way federal lawyers could convincingly argue federal carbon tax standards are being enforced evenly. Manitoba's court challenge will force a choice: Ottawa can enforce the law for everyone or no one. **T**

Premier's election date breaks the law

Premier Brian Pallister is breaking the law by calling an early election. Manitoba's Election Act is very clear: "a general election must be held on the first Tuesday in October in the fourth calendar year after election day for the last general election."

The last election was delayed to the spring of 2016 to prevent overlap with the federal election. The first Tuesday in October four years after the last election is Oct. 6, 2020. The legislation even defines the date as a fixed date.

And yet, Pallister has announced the provincial election will be held on Sept. 10, 2019. That's more than a year earlier than necessary.

What's the burning reason for this early vote? Pallister says he doesn't want the election to interfere with the celebration of Manitoba's 150th anniversary in 2020. That's it. Apparently, it's too hard to blow out candles and mark ballots in the same year.

And the side effects are worse than the disease. By going early, the Manitoba election will overlap with the federal election on Oct. 21. Voters will have a legitimate reason to be annoyed as they try to differentiate between federal and provincial campaigns at the same time.

Here's the real reason for the early election: the opposition parties aren't ready. Both the NDP and Liberals have new leaders and neither had nominated a full slate of candidates when Pallister announced the early election date.

Elections should be about contrasting visions. Fixed election dates are there to stop governments from getting an unfair advantage by calling an early vote. Pallister should rely on better policies to win rather than resorting to procedural gamesmanship. **T**

Government makes driving UNAFFORDABLE



by **Jasmine Pickel**
Interim Ontario Director

For many Ontarians, driving is an unavoidable reality — whether it's to work, to school or to the grocery store. For rural Ontarians, taking public transit isn't an option and even carpooling is about to get more expensive.

Although Premier Doug Ford made good on his promise to eliminate the cap-and-trade carbon tax (which saved Ontarians about 4.6 cents per litre of gasoline), those savings were lost due to the federally-imposed carbon tax (which currently costs about 4.65 cents per litre). To make matters worse, the carbon tax will become more expensive by increasing steadily to 2022.

Currently, the federal government has set the price of carbon at \$20 per tonne of CO₂. It will increase to \$50 per tonne by 2022, which will add close to 12 cents per litre at the pumps. Scarier still is the fact that the parliamentary budget officer has claimed that to meet our Paris Accord targets, the price of carbon would need to more than double to \$102 per tonne, which would cause gas prices to skyrocket.

Although the federal government tried to sell the carbon tax as "revenue neutral," Ontarians were right to be skeptical. Last year, the federal government told Ontarians they could expect an average of \$300 back in rebates. In June, the Canada Revenue Agency admitted the average Ontarian's payment was

just over \$200, with the \$350-million discrepancy remaining in government coffers.



In addition to fighting the carbon tax, we're calling on the Ford government to follow through on its 2018 election promise to lower the provincial excise tax on gasoline.

The Canadian Taxpayers Federation was granted intervenor status in Ontario's court battle against the federal carbon tax and will continue to support the Ontario and other provincial governments in this fight.

In addition to fighting the carbon tax, we're calling on the Ford government to follow through on its 2018 election promise to lower the provincial excise tax on gasoline. Ford promised to lower it from 14.7 cents per litre to nine cents per litre,

which would actually save Ontarians 6.44 cents per litre, since the HST is applied to the provincial excise tax.

That's right, you pay tax on tax.

In fact, Ontarians pay five different taxes at the pumps, which together make up 35% of the total price of gas. Ontarians need relief. That's why we hosted our annual Gas Tax Honesty Day at Queen's Park this year to highlight the hidden taxes Ontarians pay each time they fill up at the pumps and to hold Ford to his promises.

Lastly, we were very concerned that the Ford government quietly published a proposal to increase driver and vehicle fees across the board by 2% each year for the next five years. Drivers pay enough in this province, and the premier acknowledged as much less than one year ago when he cancelled the scheduled hikes. The CTF started a petition opposing the scheduled hikes. We achieved a victory for drivers in Ontario when Minister Caroline Mulroney called to tell us she was cancelling most of the planned increases. **t**



ONTARIO NEEDS TO TIGHTEN ITS BELT; MUNICIPALITIES NOT EXEMPT

Ontario is the largest subnational debtor on the planet. We are now \$346 billion in debt and spend \$1.5 million every hour just on interest payments on that debt — none of which goes toward principal. Ontario's government brings in more than \$150 billion in revenue every year, yet somehow still manages to spend billions more beyond its means.

Enough is enough. The Ford government needs to put an end to out-of-control government spending to curb this troubling trend instead of increasing taxes.

That's why one of our top priorities in Ontario right now is tackling government employee compensation bloat. Bureaucrat salaries are one of the biggest budgetary expenses in the province, costing taxpayers \$72 billion per year, about half of all program spending. What's more, the Fraser Institute released a study that found that government bureaucrats in Ontario make 10.6% more than their private-sector counterparts, in addition to better benefits, better pensions and earlier retirements. This isn't fair. Addressing government employee compensation is a necessary first step in getting the province's books back in order. The CTF is prepared to stand up for taxpayers during the government contract negotiations scheduled to take place this fall.

The belt-tightening can't stop at the province; Ontario municipalities need to do their part too. The province has cost-sharing arrangements with municipalities for various programs and we'll need to see some leadership from municipalities in spending restraint if the province is ever going to overcome its debt problem. Sadly, Toronto Mayor John Tory is fighting hard against the province in its path to balanced budgets. That's why the CTF intervened last year in the court battle to reduce the size of Toronto city council from 47 to 25 wards. Although this fight continues, we'll continue to push municipal governments to eliminate wasteful spending instead of protesting provincial spending restraint.

If municipalities and the provincial government don't find savings and eliminate waste, the only other path toward balance would be through tax hikes. Ontarians are already stretched thin enough and the last thing we need is another tax. The CTF will work hard this fall to uncover examples of government waste in Ontario to make a strong case for eliminating wasteful spending instead of hiking taxes. **t**

Introducing our Interim Ontario Director, JASMINE PICKEL

We've welcomed a new Interim Ontario Director, Jasmine Pickel. Originally from rural southwestern Ontario, Jasmine joined the Canadian Taxpayers Federation after selling her Toronto-based digital marketing agency to a New York firm.

"I worked hard to run a business in Ontario, with a heavy tax burden for myself, my employees and my business. It was unbearable to watch the government fritter away those hard-earned dollars so carelessly on countless examples of waste," she said. "No hard-working Ontarian should struggle to make ends meet while governments indulge at the taxpayer trough. It's wasteful, it's wrong, and I couldn't be more determined to fight for change in this province."

From growing up on a farm to running a business on Bay Street, Jasmine has witnessed first-hand how high taxes and government waste hurt Ontarians across the province. As the newest member of the CTF team, Jasmine's eager to apply her entrepreneurial spirit toward the fight for lower taxes, less waste and more accountable government in this province. **t**





THE PERILS OF CENTRAL PLANNING



by Renaud Brossard
Québec Director

In the early '70s, Chile's then-president Salvador Allende tried to implement a "technocratic" approach to managing the economy. A longstanding problem of central planning has been what economists call the "information problem." In short, the number of factors included in the price of goods and services, given all the steps to get there, is simply too large to centrally evaluate for even a single good, much less an entire economy.

Nevertheless, Chilean leaders were convinced they had found the solution, and created a room where seven individuals would sit in space-age inspired chairs, complete with a set of buttons and a cigar holder, and make decisions for the entire economy of the country. The system spectacularly failed as the amount

of information provided by the country's factories was insufficient to better manage an economy than what hundreds of economic actors in various parts of the supply chain had been doing.

While Québec doesn't have such a room (to our knowledge, anyway), we like to imagine this is how the provincial energy regulator sets the minimum price of gasoline for every regional municipality. Each week, a bunch of Québec City bureaucrats (we've been told there are four), decide what the minimum price of gasoline should be for every region and sub-region. They come up with a total of 115 minimum prices, six of them in Montréal alone, based on their guesstimate of the acquisition, refining and transportation costs for a litre of gasoline.

While the energy regulators maintain they do not engage in price fixing, the evidence shows otherwise. The sole

purpose of calculating an estimated minimum price, according to their website, is so competing gas stations could sue another gas station for selling at a lower price. Faced with the high costs of legal actions, most gas station owners ultimately cave in, raising their price of gasoline to the government-provided level to satisfy the requests of their competition, while consumers are forced to pay ever higher prices for a fill-up.

There is something profoundly immoral in a government policy that allows corporations to gouge taxpayers. While the energy minister has publicly said he's not willing to budge on this issue, we won't take no for an answer. We've made him budge on Hydro before, getting him to give back \$1.5 billion to ratepayers, and we're convinced we can do it again on the minimum price issue. And if it means we can promote four more bureaucrats to the private sector, all the better.

HIGHWAY ROBBERY

When mayors want to finance massive transit projects, they usually turn to motorists to foot the bill. Last June, all but one of the Greater Montréal Area mayors voted in favor of imposing a \$50 surtax on vehicle registrations in suburban Montréal. According to them, motorists and suburbanites are not doing enough to pay for massive transit projects, despite already contributing \$410 million every year through various taxes and levies. Talk about highway robbery.

We'll be happy to help local motorists fight against this unfair surtax and remind those mayors that they were elected to represent people, not plunder them.



FRANCOPHONIE GAMES: PASSING THE BUCK

For reasons that escape us, politicians seem to think mid-level international sporting competitions will put their towns on the map and attract tourism. Claiming they will boost the local economy, despite all empirical studies showing they won't, too many politicians are willing to spend money hand over fist to land these obscure competitions.

The latest example is the Francophonie Games, which have been passed from city to city as spendthrift municipal politicians were convinced this little-known competition would boost tourism for years to come. It started with Moncton-Dieppe winning the bid, but it was cancelled when New Brunswick Premier Blaine Higgs took office and saw it for the hundred-million-dollar boondoggle it was.

It didn't take too long for Sherbrooke and Québec opposition politicians to get excited and call on Premier François Legault to host such an "exciting" multi-million-dollar event in La Belle Province.

The Canadian Taxpayers Federation knew those games would be nothing more than a massive money pit. Our experience with the Olympic Games referendum campaign in Calgary and the expensive Pan-Am Games in Toronto taught us that any advertised "economic multiplier effect" is nothing more than creative accounting. We couldn't let taxpayers be forced to foot the bill for yet another expensive sporting event.

We quickly reacted, writing op-eds, engaging our supporters and doing local radio interviews, in the hope of turning the Sherbrookeis against this bid.

We were ultimately victorious as municipal, provincial and federal governments started bickering about who would be forced to pay the largest share of the bill. Sherbrooke's municipal government approved a maximum \$5-million envelope for the event, shielding ratepayers and leaving Québec and Ottawa to pick up 90% of the tab. Meanwhile, the provincial government allocated a few million, but wanted Ottawa to pay for most of it. Ultimately, Ottawa said its hands were tied and could "only" provide as much as the provincial government was willing to pony up.

Sometimes, bickering governments can be a great thing for taxpayers. In this case, they helped Sherbrooke, Québec and Canadian taxpayers save about a hundred million dollars. **T**

Pay government unions only what taxpayers can afford



by Paige MacPherson
Atlantic Director

Though big government unions may wish it were true, taxpayers do not have bottomless pots of money from which governments can draw.

The ability to raise taxes is not infinite. The ability to pay government union salaries should be based on the current revenue available, considering economic realities. This concept seems so simple, yet taxpayers see union deal after union deal resulting in big, fat pay hikes completely separated from what average taxpayers experience in their own bank accounts.

This is true at nearly all levels of government across Canada, but the issue is particularly pressing in the Atlantic provinces, where governments are facing serious budget constraints.

If municipalities can't reach a contract agreement with their labour unions, they go to binding arbitration. The result often leaves taxpayers with enormous bills to pay.

Just how taxpayers are supposed to pay for these big hikes simply isn't the

arbitrator's concern. And therein lies the problem with binding arbitration.

Elected officials can't guarantee that individual arbitrators will make reasonable decisions. But they could better protect taxpayers from unaffordable outcomes by requiring arbitrators to consider economic realities. The government could guarantee this is by introducing "ability to pay" legislation.

Such legislation is about taking into consideration what taxpayers can actually afford, as opposed to the opposite, oh-so-frustrating view, that a government's ability to pay unions is infinite, because it can always raise taxes.

An ability to pay bill was proposed in Ontario in 2012 by the Progressive Conservatives, then in opposition. This legislation would have required arbitrators to consider the government's current ability to afford a contract based on current revenue.

The arbitrator would have to consider relevant economic factors, such as the government's debt, borrowing costs, budget deficit, growth or decline of tax base, unemployment rates, average income levels, existing benefits and any

inherent bargaining advantages held by the union.

Free-spending Kathleen Wynne was premier at the time, and the bill never passed. But it provides a handy framework for other governments to propose similar legislation. That's what we'd like to see in Atlantic Canada and other provinces where governments simply can't spend any more money without driving future generations of taxpayers deeper into debt.

It's fairly absurd that a government would even need to make clear that the amount of money at hand should be considered when deciding on a big union pay hike. The average taxpayer isn't purchasing a Ferrari today because he hopes to get a bonus someday. And as we well know, higher taxes don't always equal more revenue for governments, since people can simply move to another province or country.

Yet unaffordable union payouts are a reality that taxpayers across Canada face regularly. Ability to pay legislation is one way that elected officials can better protect the taxpayers they are supposed to serve.

Boondoggle Tracker: Yarmouth Ferry

Here's a shocker. After the Nova Scotia government agreed to fork over \$13.8 million this year in operating subsidies to the problem-plagued Yarmouth ferry, the operator, Bay Ferries, has delayed its sailing season without guaranteeing a start date. That means the ferry will have even less chance than usual to generate revenue and offset its subsidies.

Add this to the \$8.5 million that Nova Scotia taxpayers paid to renovate a new ferry terminal in Bar Harbor, Maine, only a year after paying to renovate a different terminal for the same service in Portland, Maine. (Hopefully the Americans appreciate our donations.) Then add the tens of millions in additional corporate welfare that has gone to Bay Ferries over the years, and you've got a massive bill for a ferry that's barely setting sail.

Meanwhile, the opposition Progressive Conservatives are going to court to try to find out how much of the \$13.8-million operating subsidy is actually being paid out in management fees — something the company and the government both insist should be kept a secret from taxpayers.

How many leaks does the Nova Scotia government need a boat to have before it just lets it sink?



CTF PREPARED TO INTERVENE IN NEW BRUNSWICK CARBON TAX COURT CASE

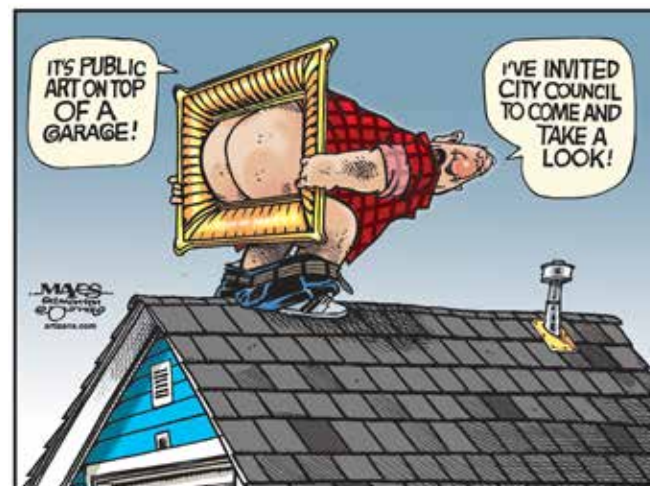
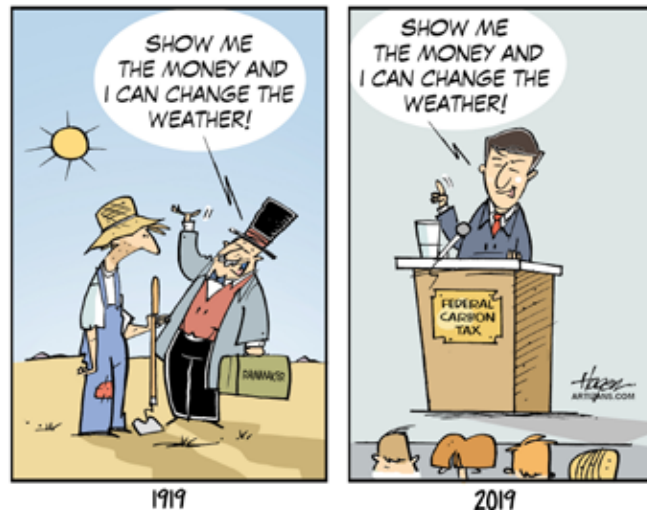
New Brunswickers are paying higher taxes on gas than their neighbours in other Atlantic provinces, thanks to Prime Minister Justin Trudeau's punishing carbon tax. There's no clearer example of the arbitrary, uneven way that Ottawa has imposed the carbon tax on provinces.

New Brunswick's former Liberal government submitted a carbon tax plan to Ottawa, shifting a portion of the existing gas tax to a carbon tax and setting up a corresponding "green" fund. That plan was rejected, but similar plans were approved in both Prince Edward Island and Newfoundland and Labrador. In Nova Scotia, taxpayers are paying a new cap-and-trade carbon tax, but at a lower level than New Brunswickers and most other Canadians are paying. It's only a matter of time before Trudeau hikes the carbon tax on the remaining Atlantic provinces and Québec (which also pays a lower tax) — as his government has promised it would on all provinces — but in the meantime it's completely unfair.

Thanks in part to Ottawa's carbon tax, New Brunswickers are paying \$30 in gas taxes every time they fill up a Toyota Camry, despite the fact that the province is on track to meet its Paris emissions targets.

Like the governments in Ontario, Saskatchewan, Manitoba and Alberta, the New Brunswick government considered taking the federal government to court over its carbon tax, but it has decided to hit the pause button for the time being. The CTF has announced that the moment the province files its court case, we will file for official intervener status.





TAXPAYER.COM BITS & BYTES

#INSTAGRAM

Watch our videos on Instagram

When we launched our pipeline deficit tour (see page 32), we kept thousands of our supporters up to date with our daily videos on our Instagram live stories.

You can also see our campaigns and day-to-day battle against wasteful government spending and tax grabs by regularly checking out our Instagram feed.

You can watch the temporary videos by clicking our Instagram profile picture if it has a pink circle around it. This circle means we just uploaded a new live video for you.

Make sure that you are subscribed by going to www.instagram.com/taxpayerDOTcom.



Sharing our oil price differential tour kickoff in Ottawa on Instagram.



CTF Interim Ontario Director Jasmine Pickel tweeting out a cheeky picture of French toast in response to Dean French and the government's questionable appointees.

#TWITTER

'French toast' prevented another cushy appointment

When the Ontario government announced that it would be appointing two individuals closely tied with Doug Ford's then-chief of staff, Dean French, our CTF team definitely had something to say about it. What started as a cheeky tweet on Twitter quickly snowballed into mounting pressure inside the government. Thankfully for Ontario residents, Doug Ford decided to not go ahead with the appointments.

For the latest articles, takes on today's news and opinion pieces, make sure you're following us on Twitter [@taxpayerDOTcom](https://twitter.com/taxpayerDOTcom).

#FACEBOOK

Who is Baron von FenderBender and where in the world is Fibber?

He's big, airy, and hates government monopolies. Meet Baron von FenderBender, the newest CTF mascot. Baron helps our B.C. Director Kris Sims raise awareness of the costly government-imposed auto insurance monopoly. Baron has been sighted near Prince George and in Victoria on the grounds of the legislature as he campaigns for allowing private insurers to operate in B.C.

Fibber has had a busy summer, reminding the Trudeau government of its broken promise to balance the budget in 2019. But just because Justin has been jet-setting around the world, that doesn't mean that Fibber will be slowing down.

For daily updates from Fibber, Baron and our entire CTF team, follow and "like" us on Facebook and never miss another story or breaking news again. You can find us at www.facebook.com/taxpayerDOTcom.

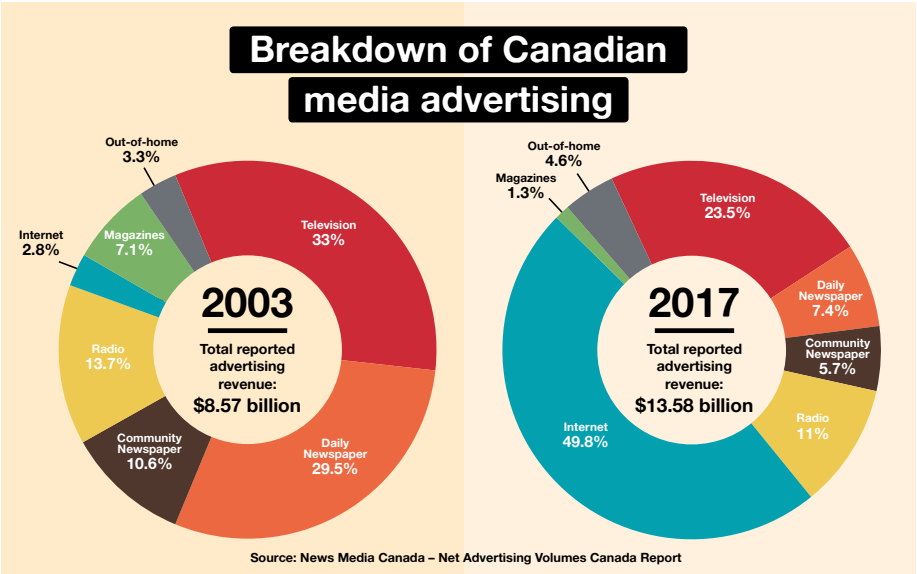


Sharing a photo and story of Baron von FenderBender making waves in Prince George, B.C., on the CTF's Facebook page.



Photoshopping Fibber to follow Prime Minister Trudeau as he flies around the world.

BY THE NUMBERS \$



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